Real Situation in Asbestos—See page 9

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The Nation's Business

The Besco Tangle

Wolvin's Reorganization Plan Inadequate

Does Not Change Status of Industry

Worthy Scheme for Settling Boys

SHAREHOLDERS of British Empire Steel Corporation and its constituent companies are indeed in a perplexing position. On the one hand they are solicited by Roy M. Wolvin, their president, to support a plan for the reorganization of the corporation. Mr. Wolvin offers his job as hostage. If the shareholders approve his reorganization plans, he personally will resign.

On the other hand, shareholders are asked by National Trust Company, trustee for certain bondholders, and holder also of large blocks of stock (which had been deposited to secure the bonds), to oppose the Wolvin plan of reorganization and to support their general scheme of putting all the Besco enterprises in the hands of the courts while a reorganization plan is worked out.

* * *

FOR which group shall the shareholders vote? The situation is indeed confusing. All the right and all the wrong is not on one side or the other. The Wolvin plan carries no assurance of complete ultimate success for the corporation. The National Trust can promise only an attempt to save something for bondholders and shareholders by taking steps to place the whole group of steel and coal enterprises on a profitable business basis.

The Wolvin reorganization plan contemplates writing down capitalization. Shareholders will receive new stock for their old. Their allotments will leave about two-thirds of the stock in the treasury, unissued, and available for further financing. This feature of the plan has been the subject of protest. It is pointed out that the directorate will be able to arrange the terms upon which additional stock can be issued, and may shift the control of the company from the Besco second preference shareholders, who are now nominally in control. This objection may have some merit but it is over-shadowed by other objections to the Wolvin reorganization plan, the chief of which is this:

The plan is but another synthetic refinancing of the Nova Scotia steel and coal industry that merely changes the capital structure without changing management policies. The stock complexion changes; the industry itself is forgotten just as it has been forgotten in an endless succession of stock-jobbing and promotion activities that have cursed it from the start.

* * *

THE National Trust Company proposes liquidation or winding up for British Empire Steel Corporation and Dominion Steel Corporation. This procedure would if possible be followed up by similar winding up of Nova Scotia Steel and Coal Company, thus placing the whole group of enterprises under control of the courts, with different trust companies—the National, Royal and Eastern, acting as receivers.

* * *

THROWING the companies into liquidation does not mean exactly what the word may convey to many people. The National Trust Company gives assurance that it proposes only that the enterprises be placed under the jurisdiction of the courts, enabling them to be managed in a way that will conserve their intrinsic assets and that will permit a reorganization plan to be worked out from within.

The trust company considers that the interests of all security holders, including both bond-holders and stockholders can be best served in this manner. It is doubtful if they have been able to convince ' shareholders generally that they have a bona fide desire to protect the shareholders as well as the bondholders. The trust company might well make its assurances in this regard more definite.

In the ultimate analysis, a plan of reorganization can only be worked out slowly and after careful study of all phases of the enterprise. True, the Wolvin interests have had ample opportunity for such study and feel that their reorganization plan is the result of their intimate knowledge of the company's affairs. This is only one of the impasses that investors reach in their attempts to choose the best course. They must solve it by taking a distant view.

The present group in control of Besco have failed to make a success of the management of the gigantic industries entrusted to their control. The entangled corporate enterprise that was their own conception has fallen short of their promises. At the last minute they offer further financial juggling as a panacea. This is likely to prove as ineffective as each of the long succession of mergers that have piled stock upon stock on top of the industry. It is time for a broader action. Reorganization of

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NATIONAL TRUST CERTAIN THEY CAN BAR WOLVIN PLAN

Claim They Have Sufficient Proxies to Kill Scheme

WOLVIN OFFERS SELF

Ready to Resign as President if Shareholders Will Support Hayden, Stone, Wolvin Arrangement

The Jubilee holidays provided only a breathing spell in the controversy regarding the future of British Empire Steel Corporation. President Wilson and Emperor William in their palmiest days as correspondents never produced such an interchange of notes as has appeared from the high-speed typewriters in the offices of President Roy M. Wolvin and the National Trust Company, opposing captains in the Besco war.

Here is three day's record of rounds fired and it only includes shells exploded up to the time of going to press:

July 4. Shareholders receive from National Trust long letter outlining reasons for opposing Wolvin reorganization plan.
July 5. President Wolvin replies. Calls letter "camouflage."
July 5. Statement issued that London Times supports National Trust.
July 5. President Wolvin offers to resign if his plan carries.
July 6. National Trust replies, says defeat of plan certain.
July 6. President Wolvin, in interview, says shareholders still waiting for more information from National Trust.
July 6. J. P. Steedman, of Hamilton, criticizes National Trust for not bringing in a better plan.

Thus public statement after public statement pours forth first from one side and then from another, with little new light of any kind really being shed on the Besco battle. In the meantime, the shareholders of the Dominion Steel Corporation have met and have approved the action of the board of directors of the corporation in opposing the National Trust Company's application to the courts for a winding up order. The common shares of the Dominion Steel Corporation are held by Besco, but the preference stock is largely in the hands of the public.

The vital event of the week, however, was the definite statement of National Trust Company that they have sufficient proxies to kill the Wolvin reorganization plan.

The crisis in the battle between Besco and the National Trust takes place on July 11, when the shareholders meet to decide whether they will throw in their lot with the management and Hayden, Stone & Company, Boston bankers, and accept the capital reorganization plan of the management, or whether they will support the National Trust.

If the shareholders accept the proposal submitted by the management, Hayden, Stone & Company state that that they will be responsible for a complete re-organization of the industries, and state also that they have a strong backing of large but unnamed Canadian interests.

The National Trust Company urges the shareholders to turn the proposed

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CRUDE OIL WELL IN TURNER VALLEY

Imperial Oil Subsidiary Encounters Important Results — Means Much to Area

Dalhousie Oil Co. a subsidiary of Imperial Oil has brought in a crude oil producer in Turner Valley Oil field. The oil is 42 gravity. The well is two miles south of Royalite No. 4, the first producer in the field and which is a large gas and naphtha producer.

A 24-hour test shows a 190 barrel flow of crude oil from the Fernie shales, a different formation to that in which the large gas-naphtha flow has been encountered by other wells, and nearer the surface. Small crude flows have been encountered by others in this same formation.

It has always been contended, that if the drillers could get on the outer edge of the gas strata they would have an excellent chance of getting crude oil. However, the limestone, lying below the Fernie shales, has always been looked to as the proper oil formation. A number of geologists also contended that the favorable area for crude was in the north part of the field as they believed that the gas pressure would increase as they worked south.

This new development is important. Turner Valley needs a crude production to absorb the high grade naphtha which is being produced, and with which it can be mixed in refining. The Devenish well, located a considerable distance to the south and east of Turner Valley and which came in a few weeks ago, recently gave 250 barrels of oil per day on the swab and when pumped is expected to give 550 barrels daily. Western Oil Examiner, says that a deal is under way for Imperial to take over a substantial acreage of the Devenish leases which total 70,000 acres, practically en bloc. Imperial will drill these on a royalty basis.

Tells Canada's Role

ALBERT MATTHEWS,
Toronto investment banker who has returned from the International Economic Conference at Geneva and tells of its interest to Canada.

Plan $3,000,000 Bond Issue for Hardware Deal

A public bond issue of around $3,000,000 will shortly be offered by a syndicate headed by Willison Neely Corporation to finance the merger of fifteen hardware companies, now in process of consummation.

About fifteen companies are involved, including one large wholesale hardware house, several firms doing both retail and wholesale business and a number of retail stores in Ontario and Quebec. The combined turnover of the different units is in excess of $8,000,000 annually.

The owners of the properties going into the merger are accepting junior securities for their properties thus creating a very substantial equity to back the first mortgage bonds that will be sold.

According to present plans, the financing will be done in Canada.

Willison-Neely Corporation are successors of the Municipal Bankers Bond and Sales Corporation, which effected the merger of Canadian Department Stores last year and financed it by the sale of bonds in New York and Canada.

Penman's Earnings Are Being Well Maintained

From Our Own Correspondent.

MONTREAL.—It is understood that during the first half of its fiscal year the earnings of Penmans, Limited, were at the rate of between $5 and $6 per share per annum. Last year, Penmans earned on its common stock 17.55 per cent., but the stock has since been split three for one.

CANADA STANDS TO BENEFIT FROM GENEVA POLICY

Adoption of Broad Principles of Conference Would Help

RAISE BUYING POWER

Purchasing Abilities Would Have Not Grown With Production, Showing Need in Freer Intercourse

An Interview with ALBERT MATTHEWS, Of Canada's Delegation to the International Economic Conference at Geneva.

The report of Canada's delegation to the recent International Economic Conference at Geneva is now in course of preparation and will shortly be presented to the government at Ottawa. It will contain no striking recommendations but will merely review some phases of the discussions at Geneva that have a relation to Canadian affairs.

The Canadian delegation had little to take to the conference and, because of the nature of the conference, could bring very little back. This is in itself a tribute to the prosperity of this country. The conference was called to discuss some of the more pressing economic problems of the world today, chiefly those critical problems which beset Europe. From these problems, Canada has been singularly free, occupying with the United States a splendid isolation from the troubles of war-torn Europe. Canada, too, is remarkably clear of vexatious fiscal policies and regulations hampering the free international exchange of commodities. Because of these conditions, the Canadian delegates had little more to do than to act as observers, to put in a word about Canada's position when it was involved and to find the viewpoint of other countries in international economic relationships. It is probably safe to say that the Canadian delegates did more good for Canada and learned more of interest to Canada in the unofficial conferences and conversations than on the floors of the assembly.

Will Benefit Canada in Time

"Canada stands to benefit very materially from the freer interchange of commodities that the conference aimed at," said Albert Matthews of Toronto, one of Canada's delegates, interviewed by The Financial Post this week on his return from the Geneva conference.

"Trade barriers and hindrances are preventing international trade from developing as it should and this is a definite factor in maintaining purchasing power particularly European purchasing power, below pre-war levels. If we can bring about a condi-

(Continued on page 8)

Detroit-Windsor Bridge Will Soon be Reality

American and Canadian Bankers Will Finance Project

OPEN IN THREE YEARS

The Necessary Governmental Authority Secured—Will be Used by Vehicles and Foot Traffic Only

After many years of waiting, residents of Detroit and Windsor will soon be able to pass from one city to the other by means of a new high level bridge which will be under construction some time this fall and completed, according to preliminary plans, by September, 1930. It is learned by The Financial Post that several well-known American and Canadian bond houses have agreed to undertake the necessary financing in connection with this development and that an official announcement will be made within the next two weeks.

While complete details are not available, it is known that the bridge will be simpler in design than that contemplated some five or six years ago, Present plans allow for vehicular and foot traffic only. Railways will continue to use existing services and will not, it is understood, be allowed the use of the new bridge. Necessary legislative authority, both Washington and Ottawa, has been secured. Agreements have also been entered into with the municipalities directly concerned and such items as assessment, toll charges, etc., satisfactorily arranged. All that remains to be done is the awarding of a contract for the construction of the bridge and until this is accomplished, it will not be known just what type of bridge will be erected, size, cost, etc.

Issue Two Securities

It is further understood that two types of securities will be issued—a first mortgage and debenture. Just what percentage of either will be

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Common Stock Index Lower

A drop of fifteen points in the weighted index number of the twenty-five best selling industrial and public utility common stocks on the Montreal and Toronto exchanges, took place in the week of July 2nd, the number being 332.3, as compared with 347.3 for the week ending June 25th.

All twenty-five stocks included, declined in price. The average price of Brazilian fell from $159.7 to $154.9. Smelters from $235.3 to $223.0, Dominion Bridge $186.2 to $173.1, International Nickel from $62.7 to $59.0, Massey-Harris $36.1 to $33.8, Montreal Light, Heat and Power from $84.6 to $81.8, Quebec Power $279.9 to $253.5 and Shawinigan from $85.4 to $77.4.

Merger is Planned of Lock Manufacturers

It is learned that negotiations are under way having for their object the merging of the interests of at least five of the six factories located in Canada and engaged in the manufacture of locks and similar builders' hardware. While negotiations are yet in the early stage Hardware and Metal states this week that three out of five of the firms engaged in this line have declared themselves, unofficially, as being agreeable to a merger of interests and options have been given on at least two of the properties. It is understood that the sixth concern, being the Canadian branch of a large United States firm, is unlikely to consider the proposed amalgamation. It is felt by some of the lock companies that certain economies can be effected and other advantages accrue from the merging of their interests

Coast Lumber Mills Expect Stability from Long-Awaited Merger

English Representative Off Dom. Steel Board

It is understood that at the annual meeting of Dominion Steel Corporation this week, W. S. Hodgins was dropped from the directorate.

Mr. Hodgins was the representative on the board of the English preference shareholders.

These shareholders joined with the National Trust Company in the recent application for the winding up of the corporation.

RAIN INSURANCE COMPANIES MADE MONEY ON JULY 1

Big Premiums Taken in But Sun Shone Over the Dominion

Blue skies and blazing sunshine were the order of the day in practically every part of the Dominion last Friday and Saturday. Canada celebrated her Diamond Jubilee of Confederation under almost perfect weather conditions. What happened to the raindrops? Didn't anybody remember them or were they ignored when invitations were sent out to Canada's Jubilee? According to the statisticians, July is the worst month of the year for thunderstorms; who would have suffered had there been showers instead of sunshine to celebrate Confederation?

In that case the two insurance companies which write rain insurance in Canada would have been liable for upwards of $100,000 in claims. As it is, these companies reaped a rich harvest in premiums, because as far as is known, not one loss has been reported on the risks written to protect the Jubilee celebrants against the rain. It is estimated that the premium income received by insurance companies for coverage during the days of July 1 and 2, amounted to more than $10,000. One company covered 60 individual risks, stretching all the way from New Brunswick to Vancouver, B.C. The coverage included every conceivable kind of celebration from garden parties to military sham battles. Most of the policies were for small amounts varying between $500 and $1,000, while some went as high as $5,000.

All Kinds of Events Covered

What is rain insurance? Briefly it is insurance that gives protection to the promotors of out-of-door events where the income and success of the undertaking depends largely on fine weather. Baseball games, where there is a charge for admission are of course in the front rank as prospects. Then there are fall fairs, band concerts, carnivals, bazaars, horse races, merchandise sales, parades, golf matches, tag days and a host of other occasions where this type of protection can be sold to advantage. Many of these entertainments are such that they can be postponed and held another day. In this case there is not necessarily a total loss of income, but rain insurance is used to cover the additional expense of holding the affair at a later date. Thus rain insurance can be divided roughly into two types. The first type that requires that there must have been a specified amount of rainfall, and the other that the event be postponed or abandoned altogether.

The former is probably the most popular type of policy. It guarantees to pay the insured the full amount of the policy if at least one-tenth of an inch of rain falls during the hours specified. Most policies are only in force for a few hours, and the minimum length of time is three hours. The official observers of the Dominion Meteorological Office, act as referees wherever possible, but if no recorders are available the company sends out its own gauges to measure the amount of precipitation. The business is sold as a rule by the local agent, but each policy has to be written individually. Most of this work is done by head office, as rain coverage is in itself a highly specialized field of insurance.

Insuring Baseball Games

Take for instance the policy written to protect a baseball team against inclement weather. These policies are usually written on the basis of postponement. That is to say if the game is postponed on account of rain the ball team collects the insurance. The insurance on this type of risk is not written by the hour, but becomes effective about six hours before the game is called, and remains in force until four and a half innings of the game have been played. The policy is written very considerably in the United States, and also in Canada,

(Continued on page 5)

Adoption of Scientific Sales Methods One Reason For Fusion

50 MILLS INTERESTED

Many B.C. Mills Are Discussing Joining Pacific Northwest Lumber Mill Consolidation

By CHARLES L. SHAW.

VANCOUVER.—Long years of low prices and scant profits are bringing Pacific Northwest lumbermen to the point where they realize that something drastic must be done in the way of standardizing production and adopting scientific sales methods. Present indications are that the lumber industry during the next decade will experience a period of mergers just as many other industries have in the past, and that the day is approaching when the big timber operations will be more or less in the hands of a few gigantic corporations best equipped to market their output on a profitable basis.

Few Mergers Seen Yet

Until now the lumber industry of the Pacific Northwest has been one of the few industries on the continent that has not been affected by the merger virus. Practically all the producers are individual companies, with no particular organization dominating the field, as in the majority of similar industries. Naturally there are a few gigantic companies operating, including several which were originated in the East and Middle West before the forests of those regions were threatened with depletion. In this group might be included the enormous Weyerhaeuser group and the Long Bell Company, both of which have important ramifications in the east as well as in the Northwest. Through interlocking directorates and other forms of co-ordination several big British Columbia lumber enterprises are linked with American corporations whose capital runs well into the millions. The main stimulant to this sort of arrangement is the ability of the big corporation to buy and hold vast areas of timber and to sell the finished product through its own sales agencies established in the recognized buying centres of the continent and overseas.

Stage Set for Big Consolidation

The stage now appears to be set for the biggest consolidation in lumber history. By the time it is completed probably a hundred or more producing units will be included. Such a consolidation is regarded by big timber interests as an economic necessity from the standpoint of the industry and also from the viewpoint of the community. The difficulty in the fir region—that is to say, British Columbia, Washington and Oregon—is not so much a question of over-production as it is one of merchandising. Fir lumber has not been put on the market in the past in a manner comparable with the

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Business Enters Second Half of 1927 With Confidence
Dollar Volume of Business Records Remarkable Increase
Commercial Failures Show Small Increase; Below Average
Contemplated New Building Augurs Well for Balance of Year

GLANCING back over the business situation of the past six months, one is impressed by the uniform degree of activity which has characterized practically all phases of the Dominion's economic life. While certain industries have experienced a mild form of readjustment, the majority have gone ahead on a schedule equal to, if not greater, than that prevailing during all of last year. When it is considered that the volume of production in 1926 was undoubtedly the greatest ever registered in the history of the country, results of the past half-year are especially noteworthy. At the beginning of 1927, it was the belief of many that we would see a gradual subsiding of activity but such has not been the case.

In those industries where a change took place, the adjustment downward has been gradual and orderly. The outstanding example along these lines was in the newsprint industry. The recession was not pronounced by any means, nor was it the result of lack of demand. For several years past, the Canadian newsprint industry has been growing at a remarkable rate and though temporarily halted by the market collapse in 1921, expansion was soon under way again and during 1926, production surpassed that of the United States. The market held up remarkably well, but early in the present year there were signs to indicate that over-production was likely. Consequently the larger producers curtailed operation until the market had a chance to readjust itself.

Other Industries Improve

On the other hand, certain lines of industry have been more active than they were last year. The iron and steel industry, in particular, has made great strides. This was the only major industry which did not experience the same degree of prosperity last year as other lines and the fact that its operation in the half year just ended were more extensive, is illustrative of the high level of activity which has been maintained over a protracted period.

The current volume of production is being well maintained. Industry enters the last half of the year with greater confidence. There is not the note of hesitancy so prevalent at the end of last year and manufacturers and distributors feel that the general situation is sounder than at any time since 1920. An impressive volume of goods has moved into consuming channels. Buying power is unimpaired. Stocks on hand in nearly every instance are kept down to a minimum; buying for immediate requirements being the rule, consequently, manufacturers have little fear of any glut of goods on the market and knowing that domestic demand will be maintained in the months just ahead, are going ahead on a schedule of operations that will keep them busy during the balance of the year.

Dollar Business Creates Record

There is, of course, a seasonal contraction in certain lines of industry, but the volume of business being transacted is well above the average. Th dollar volume of business, indicated by bank debits, was greater in May than in any other month, since the record was first compiled in January 1924 with one exception. This surprising result was attained in spite of the fact that debits in May are normally only slightly greater than the monthly average for the year, while the October, November and December totals usually range from 16 per cent. to 22 per cent. above the average.

The total debits in May as reported by the Canadian Banker's Association were $2,986 millions, compared with $2,415 millions in the same month last year, an increase of $571 millions or 23.5 per cent. The advance over the same month in 1924 and 1925 was 30.4 per cent. and 30.7 per cent. respectively. This is in accord with advances in other general indexes of business activity maintained by the Bureau of Statistics. It is also significant to note that each of the five economic areas report increases over April of this year and also over May, 1926. This is in accord with advances in other general indexes of business activity maintained by the Bureau of Statistics.

Commercial Failures Still High

Despite this remarkable increase in the dollar volume of business, the number of commercial failures shows no decrease; in fact, the number of assignments remain about the same as last year, although much less than in 1925 or 1924. It is admitted that trade conditions as a whole are irregular and it is not surprising that establishments of this nature constitute a majority of failures reported in May. The government's report shows 127 bankruptcies, as compared with 124 in the same month of the previous year and 128 in April, 1927. The liabilities of the assignors amounted to $2,235,675, as compared with $2,065,385 in May, 1926 and $2,978,653 in April 1927.

Of the many reasons advanced for the larger number of failures, as compared with last year, the fall in general prices and the increasingly close competition for trade are most generally accepted. For months past, the index of commodity prices has been slowly receding and while there has been an occasional stiffening of prices, the whole list, with the possible exception of agricultural products, has tended to lower levels. While the merchants, as a group, have learned the lesson of falling prices from the experiences gained in the depression following the collapse of the post-war boom, there are still a few taking a chance on making heavy commitments for future deliveries. The keen competition which has resulted, has also forced the smaller dealer to the wall. The vast improvement in merchandising methods of the past decade soon crushes the dealer who is not up to date.

Construction Well Maintained

One of the most promising signs of continued industrial activity during the balance of the year, is the large amount of proposed building to be undertaken. The figures for the last half of the current year are $384,981,000, as compared with $304,598,000 in the same period last year. Construction in the first half of 1927 has maintained the record volume in dollar value established during 1926, less three million dollars. This has been accomplished by more projects in more localities, which is decidedly better for the industry at large. According to MacLean's Building Reports, contracts have been awarded to the value of $191,323,800 in the past six months, as compared with $194,543,500 in the first half of 1926.

While it is unlikely that more than sixty per cent. of this proposed work for the balance of the year will actually be undertaken, even that amount will have a stimulating affect on many associated industries. Iron and steel, lumber, brick, stone, cement industries will benefit, while the amount of employment resulting therefrom will have an appreciable influence on the purchasing power of the working classes.

Streams Stocked With Fish

Brown trout fry to the number of 185,000 have been placed during the past week in the North and South Raven Rivers and Prairie, Alford and Muskeg Creeks which are tributaries of the Red Deer and Saskatchewan Rivers, West of Red Deer. The distribution was handled by Fisheries Inspector Martin of Banff.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest		To Date	
	This Year	Last Year	This Year	Last Year
Production—				
Pig iron, tons (May)	78.987	72.762	334.276	300.010
Steel, tons, (May)	96,711	89,513	427,370	349,907
Newsprint cwts. (May)	171,819	153,969	826,083	735,152
Automobiles (May)	25,708	24,934	107,600	103,127
Boots and shoes, pair (April)	1,566,750	1,426,578	6,272,436	5,634,653
Flour, bbls. (Feb.)	1,231,000	1,440,000	2,727,000	2,862,000
Construction—				
Contracts awarded (April)	$38,582,300	$37,292,000	$92,336,700	$83,218,000
Building permits (May)	$20,532,147	$18,504,296	$62,973,761	$60,042,369
Labor—Employment index (June)	105.9	101.0	....	....
Transportation—				
Car loadings (to June 25)	64,329	63,881	1,517,670	1,428,708
C.P.R. gross (May)	$15,214,360	$15,492,758	$73,571,659	$69,693,817
C.P.R. net (May)	2,031,630	2,448,876	10,747,847	11,129,583
C.N.R. gross (May)	$22,864,398	$23,021,017	$107,153,564	$102,346,994
C.N.R. net (May)	2,769,759	3,329,230	13,424,222	13,530,154
Population—				
Emigration (April)	6,225	....	21,516	.....
Immigration (April)	35,441	......	65,397	.....
Trade—(May)—				
Imports	$94,412,439	$86,052,253	$432,839,530	$395,432,375
Exports	$109,782,531	$91,339,823	$455,353,901	$486,164,567
Imports of key products (May)—				
Rubber, lbs.	5,644,143	......(12 mos.)	52,835,777	46,759,318
Cotton, lbs.	10,129,213	......(12 mos.)	139,187,978	128,765,253
Sugar, $	3,983,427	......(12 mos.)	41,662,974	34,729,252
Petroleum, gal.	49,049,108	......(12 mos.)	700,549,200	588,066,760
Coke, tons (May)	173,727	159,390	850,719	782,939
Exports of key products (May)—				
Newsprint, (cwt.)	2,998,475	......(12 mos.)	35,943,499	30,305,945
Automobiles (pass.) (No.) (Mar.)	6,512	8,038	15,405	17,729
Wheat, bus. (May)	28,698,115	18,971,018	89,267,495	66,503,108
Wheat Flour, bbl.	804,468	725,852	3,770,970	4,268,133
Finance—				
Failures, number, (May)	127	124	752	715
Failures, liabilities, (May)	2,235,675	2,065,385	11,920,951	11,856,499,734
Bank Debits (May)	$2,986,235,659	$2,415,275,589	$13,138,481,883	$11,856,499,734
Bond sales (May)	42,500,616	42,595,348	209,959,436	292,470,099
Stock prices index (June 25)	....	....	347.3	174.3
Insurance sales (May)	$44,553,000	$37,703,000	$201,578,000	$184,183,000
Wholesale prices (1913-100))—				
General index (May)	....	....	151.9	156.8
Pig iron	....	....	143.6	144.1
Cotton	....	....	127.2	153.6
Grains	....	....	181.4	188.4
Cattle	....	....	133.9	108.5
Rubber	....	....	64.7	74.2

C. P. R. NO LONGER BOYCOTTS STEEL MILL AT SYDNEY

Dominion Iron and Steel Receives 10,000-Ton Rail Order

From Our Own Correspondent.

SYDNEY.—Sydney steel plant is assured of at least another month's steady operation by a 10,000 ton C.P.R. rail order received by Besco this week.

The new order is for "100 pound steel," that is 100 pounds to the running yard. Specifications have not yet arrived but it is presumed they will call for 39 foot rails, the new length recently adopted by class one roads.

The C.P.R. business comes very opportunely, as this is usually the dull season at Sydney steel plant and a 15,000 ton order for the Newfoundland government railway had just been completed.

C.P.R. Off Plant For Years

Instead of a layoff, there will now be increased activity here during a large part of the summer. For many years until recently the C.P.R. had placed no orders here and this is believed to have been due partly to dissatisfaction with certain rails supplied the company just prior to the war.

Some time ago a trial order of 39 footers was rolled and proved eminently satisfactory, proving that the plant has been placed on a new plane of efficiency since the unfortunate incident referred to.

The belief is general in business circles here that the Sydney steel industry is about to turn the corner at last. The recent statement that profits of millions have been made at the steel plant during 1926 and 1927 has proved an eye-opener, and still better results are anticipated as soon as the company's financial affairs can be straightened out permitting of Federal government aid to implement the recommendations of the Duncan report.

Car Loadings Continue Heavier Than Year Ago

Distribution of goods by railway has kept up in a remarkable way, consistent increases being shown week by week as indicated by car loadings. During the week ended June 25th, the 25th since the beginning of the year, loadings totalled 17,847, as compared with 17,792 in the preceding week and 17,385 in the same period last year.

Car loadings of all commodities during the week totaled 64,329, being 448 greater than for the week ended June 26, 1926. Grain was down 1,341 cars, miscellaneous freight decreased by 231 cars, and live stock, coke and other forest products showed small decreases, but coal increased by 494 cars, lumber by 210 cars, pulpwood by 526 cars, pulp and paper by 196 cars, ore by 380 cars and merchandise by 462 cars. This is the first time in some weeks that pulp and paper shipments have increased and is taken as an indication that the readjustment in the newsprint industry has been concluded.

Cumulative loadings since the beginning of the year are, of course, in excess of those for last year, the government's report showing 1,517,670 for this year, as compared with 1,428,708 in 1926. There has been no change in the relative standing of the different divisions, grain and grain products, coal, lumber, pulpwood, merchandise and miscellaneous having increased and livestock, coke, pulp and paper, other forest products and coke decreased.

Sea Fish Catch During May Records Value Increase

The total quantity of sea fish landed on both coasts of the Dominion during the month under review was 70,440,500 pounds valued at $2,572,353, compared with 75,999,500 pounds valued at $2,513,850 during May, 1926.

Increased catches of cod, hake, pollock, halibut, sardines, salmon, scallops and lobsters were reported.

On the Atlantic Coast an increase is recorded in the catch of lobsters. The catch was 11,813,100 lbs. compared with 11,444,200 pounds in the preceding May.

Of the former quantity 3,366,800 pounds were shipped in shell and the balance canned, making 42,235 cases, while of the latter quantity 3,442,300 lbs. were consumed fresh and the balance canned, making 40,007 cases.

Since the commencement of the lobster fishing season there has been 16,041,700 pounds taken of which 6,181,500 pounds have been shipped in shell and the balance canned, making 49,305 cases. In same period of the preceding season the catch was 14,809,200 pounds from which 5,788,500 pounds were shipped in shell and the balance canned, making 45,100 cases.

The catch of halibut on the Pacific Coast was 3,565,50 pounds, compared with 3,372,800 pounds the preceding May.

There were 1,564,500 pounds of salmon taken compared with 1,539,400 pounds in the corresponding period of 1926. The bulk of these fish were sold fresh.

Sugar Refineries Find Demand is Poorer

From Our Own Correspondent.

MONTREAL.—The volume of sugar manufactured in the Dominion in the four week period ending June 18, amounted to 85,186,353 pounds as against the larger figure of 101,459,182 pounds in the corresponding period of a year ago. Although there has been a large drop in the output during the four week period, yet from the first of the year to June 18, the output of the refineries amounted to 415,563,064 pounds as compared with the slightly larger figure of 443,579,525 pounds in the same period of 1926. Exports of sugar during the month of May declined also, and amounted to 11,589,200 pounds as against 16,809,400 pounds a year ago.

Reindeer Herd for Alberta

Raising reindeer for commercial purposes in Canada will be undertaken this year by the Dominion Reindeer Company, with headquarters at Vancouver, which has imported some 5,000 head of reindeer from Alaska. This herd will be located on the vast growing areas between the Athabasca and Great Slave Lakes where the company has secured over three million acres for this purpose.

Canadian Salt Production Established Record in 1926

The steady increase in salt production in Canada reported in recent years continued during 1926, the report of the Bureau of Statistics showing an output of 262,547 tons. This compares with the previous high record of 233,746 tons made in 1925. This year's output value was reported at $1,480,149, as compared with $1,410,697 for the 1925 production. The smaller ratio of increase in value was due to the decline in average price for all grades.

Ontario's production was 252,345 tons or 96.1 per cent. of the total; Nova Scotia and Alberta contributed the remainder. Alberta shipments were from Fort McMurray district and totalled 2,037 tons. The Nova Scotia production was obtained from the Malagash mines.

The eleven companies operating in Canada last year reported a capital investment in plant, inventories and working capital of $2,782,728. Salaried employees numbering 51 and wage earners to a total of 333 were engaged in this industry during the year. Salaries and wages paid amounted to $482,651.

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See International City as Area Grows on Niagara Frontier

Business Men Envision American-Canadian Metropolis

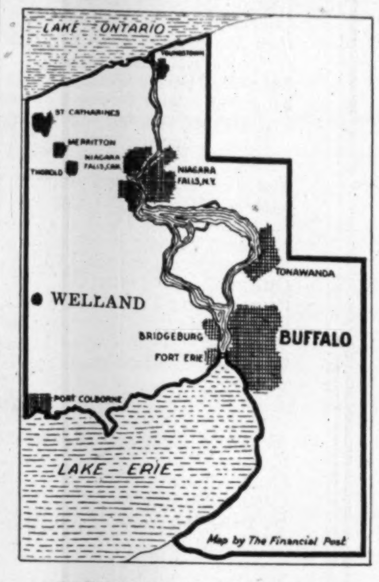
NOW HAVE MILLION

Canadian Centres Rapidly Growing Into Important Industrial and Commercial Centres

By M. M. WILNER,
Special to The Financial Post.

BUFFALO.—The current number of the Buffalo Journal of Commerce, which is the official publication of the Chamber of Commerce, is devoted almost exclusively to the development of the idea of a new international city which is to grow up, if hopes are realized as a result of the new vehicle bridge between Buffalo and Fort Erie.

In a prefatory note the editor says: "International City may be only a dream. Perhaps it is—the kind of dream that man had who first thought of flying from New York to Paris—or of building a bridge across the Niagara. If the people who work and live on both sides of the river want it to be more than a dream, it will be. The dream will become a reality and the Niagara Frontier will become the greatest international industrial center in the world."



Outlines of "International City."

Now Nearly Million People

The idea of an international industrial city implies, of course, two cities in a governmental sense, and the new great city which this vision portrays is to be on the Canadian side of the boundary. While the conception provides that the present limits of Buffalo shall be extended to include all the towns that adjoin it on the south and east with the Tonawandas, Niagara Falls and intervening territory as far as Lake Ontario on the north, the new Canadian city is pictured as embracing the entire tip of the peninsula between the two great lakes from the Niagara river westward to a line running west of and parallel to the Welland canal. Here is an area of about 300 square miles, and it is in this Canadian section of the international city that the most rapid growth obviously would be expected. With 400 square miles on the American side, the entire area of this great industrial center would approximate 700 square miles.

George C. Diehl, county engineer, writes "International City is not new. It already has a gigantic start. On the New York side is a great metropolitan area which is rapidly being consolidated. On the Canadian side population and development are more limited, but the possibilities are unlimited. The combined population is nearly a million. The taxable assets are a billion and a half."

Build Canadian Branch Plants

Mr. Diehl describes as a particular advantage of the peninsula on which he bases the expectation of rapid development the abundance of factory sites, affording a guaranty against high costs for any line of production. He continues:

"Many of our manufacturers find it advantageous to have production units in Canada. Mostly they have been established in the principal cities of the Dominion and there are a few of them on this frontier. Up to the present time the Niagara peninsula has been almost wholly rural. There are doubtless many manufacturers who could be convinced of the desirability and economy of supplying trade in the United States from this side of the Niagara river and Canadian patrons from that side. The plants would be so near together that great savings in the expense of operation, supervision and sales would result."

In the expansion of this phase of the subject, a statement very complimentary to Canadians is made by a manufacturer whose industry has long maintained plants on both sides of the river. Martin J. Cabana, vice-president of the Liquid Veneer Corporation, writes:

"The citizens of Canada are wonderful to trade with. In 42 years we have not a record of losing a single account. The credit situation is all that could be desired. The labor problem is an easy one."

Banker Approves Branch Plant Idea

George F. Rand, president of the Marine Trust Company, also is much impressed with the advantage to manufacturers of having plants on both sides of the river, controlled by a central office in the community. The international character of such development, he says, "is evidence of a friendship and a mutual understanding between peoples of like customs and ideals, yet loyal to two different governments." Mr. Rand speaks particularly on the question of financial support. He says:

"Of prime importance to this industrial community is the type of financial houses it contains. In years gone by, comments might be heard in various cities to the effect that the banks were holding back the march of progress. Bankers were accused of an over-cautiousness or a lack of vision that held growth in check. Whether or not there was merit in such criticism, a changed spirit is evident to-day. The fianancial institutions on the Niagara frontier in fact have anticipated the credit needs of tomorrow. ...... Their capital and surplus enable them to take care of the largest industries, and adequate financial accommodation conveniently available is among the first things considered in the location of plant or office.......

"Across the river the cities and towns are served by the great Canadian banks with total resources of hundreds of millions and with hundreds of branches throughout the Dominion. They, too, are able to care for the largest industrial situations. Their branch offices keep them closely in touch with the trade of to-day and the possibilities of the future.......

"Sound enterprises, companies requiring initial or additional capital, have no need to look elsewhere. The investment houses and investment departments of banking houses are handling and are qualified to assist in the underwriting and distributing of the largest offering of securities. These same houses realize their responsiblities to the investor and to the community as a whole. Their care in the selection of issues is a safeguard that the growth of industry will be a healthy one."

Frontier Has Commerce Chamber

The viewpoint on the Canadian side of the river is presented by J. R. Steele, president of the Niagara Frontier Chamber of Commerce, who outlines particularly what already has been done. He says:

"The Frontier Chamber was organized in December, 1926. In that relatively short time, it has grown to a membership of 500 odd, and has fostered the Niagara Frontier planning scheme, which is now being prepared by competent engineers and which will govern all zoning, highways, sewers, public utilities, residential and industrial areas. The Chamber has raised most of the money for this scheme and has secured co-operation from the municipal councils of Bridgeburg, Fort Erie, Bertie, Willoughby and Crystal Beach, the five municipalities covered by the plan.

"This piece of legislation will prevent the creeping in of errors that have cost Buffalo, Toronto and other municipalities thousands of dollars to rectify, will bring effective co-ordination of public utilities to prevent duplication, and likewise see that realtors are as good as their word.

"The organization is tackling the highway situation at the present time, now that district planning is a reality.

"Reinforcement work has been started on the International bridge, owned by the Canadian government, parliament having appropriated $3,000,000 for the strengthening of the bridge, the construction of $500,000 worth of additional terminals and construction of a new short line to Pilkington, near Thorold, which, it is declared by government railway engineers, will very much reduce the running time between Buffalo and Toronto.

Has Live Industrial Committee

"The Chamber has a live industrial committee, of which A. E. Smythe, manager of the Standard Bank of Fort Erie, is chairman, while E. W. Johnston, Jr., is chairman of an active publicity committee.

"The organization has succeeded in bringing into co-operation practically all of the common aims of the five border municipalities, in every direction, and has permanent offices in the Land-Mencke block, Jarvis Street, Bridgeburg, with Secretary Albert E. Ray in charge."

Mr. Steele concludes with this promise: "We will work hand in hand with our cousins just across the blue Niagara to make our portion of the International City worthy."

These mutual pledges of co-operation and confidence in the development of common business interests are very interesting and healthful expressions of the spirit of the time.

CHRISTIE, BROWN RETIRES BONDS

Directors of Christie, Brown & Company have voted to retire an additional $50,000 par value 6 per cent. notes. This reduces to $455,000 face value the total of such notes outstanding. The original issue of $1,000,000 was sold to Hitt, Farwell & Company in April, 1925, and since then $550,000 have been redeemed.

CROP CONDITIONS FAVORABLE OVER ALL PROVINCES

Prospects Excellent in West, But Season Backward in East

Despite the late start of spring operations, crop conditions all over the Dominion are very favorable and it is anticipated that, provided no setback occurs, the yield will be one of the best experienced in the last decade. While the area sown to grains in the West is less than last year, good growing weather has brought the crop along in fine shape and it is as far advanced as it was at this time last year. Reports from Western Canada state that unusually little damage has resulted so far from rust, cutworms, drought, soil drifting or hail.

The Federal Government's advices from Manitoba are all favorable. Although the crops were sown very late, they are growing rapidly and looking well. Reduction of wheat acreage has taken place in most districts, but to offset this there has been an increase in barley and other coarse grain acreage. Pastures are in excellent shape and a heavy hay crop is expected. At present wheat is from 10 to 5 inches high, and several points report from 20 to 40 per cent. of wheat in the shot blade.

Mid-West Conditions Good

Saskatchewan reports that crops have made good progress during the past couple of weeks. Wheat is somewhat late, but generally in good shape. Some damage has been done by cutworms, but on the whole it is not material. With a few exceptions, the ground is well supplied with moisture and several districts have benefitted by recent showers. Wheat is anywhere from 15 to 25 inches high. A good deal of summer fallowing is being done and assisted by the high soil moisture content, many farmers are breaking new land.

Conditions in Alberta of late have been ideal. Early sown wheat is in head and coarse grains are growing rapidly. The first cutting of alfalfa has started and one of the best hay crops in years is expected. There has been no reduction in the crop acreage in this province and conditions are so promising that final results for the year are expected to be the best ever attained.

Similar conditions are reported from British Columbia, where all grains are looking well and promising excellent yields. Fruit is sizing up well. Strawberries promise 20 per cent. increase in production. Raspberries and loganberries will probably be a good average crop. Cutworms are prevalent and have done considerable damage to garden truck.

Eastern Crops Backward

In the provinces of Quebec and Ontario, conditions have been backward but recent favorable weather has done much to bring the crop along. Grain yields will likely be somewhat lighter than usual, but the hay crop in many districts promises to be above average. Quebec orchards have blossomed well and promise a good harvest.

Late seeding owing to unfavorable weather, but present conditions excellent for growing crops, features reports received from the Maritime provinces. Grains of all kinds, hay, roots and most vegetables have made good progress. Potatoes have germinated well in Prince Edward Island and the quantity of pure seed available for export this fall is expected to be above average.

Report Stinnes Industries Doing Excellent Business

Current position of the Stinnes companies of Germany was shown to be good in a statement issued this week, in which it was also announced that an additional $328,000 Hugo Stinnes Corporation 7 per cent. notes will now be retired. Part of the recent Stinnes financing was done with Canadian houses included.

It is pointed out that $2,000,000 in Stinnes securities will have been retired in eight months, setting what is believed to be record for the percentage of issues retired by anticipation of sinking fund in so short a period. Eight per cent. of the $25,000,000 in securities offered last November will have been retired upon completion of the present operation.

The consolidated current position of the Hugo Stinnes Corporation, as of April 30, showed current assets of almost twice current liabilities, the current assets being $6,602,428, current liabilities, $3,500,642, and the margin of assets over liabilities, $3,101,786. The actual margin is greater, for included in the assets are marketable securities carried at less than actual market value.

Business is reported to have been good in the first four months of this year, and the company anticipates that earnings for the remainder of the year 1927 will continue to be favorable.

New Brunswick Power Bonds Selling on 5.80% Basis

Few seasoned public utility bonds yield as high as 5.80 per cent., but the first mortgage bonds of New Brunswick Power Company, with ten years to run, return such a yield. The company is controlled by Federal Light & Traction Company.

Company owns and operates an electric light and power business, the gas business and the system of street railways in Saint John, N.B., serving a population of about 60,000. These first mortgage bonds ($1,911,500 outstanding) are a direct first lien on entire property and privileges now owned or hereafter acquired, valued for rate purposes by the Public Utilities Board of New Brunswick at $3,100,000 on which valuation company is allowed to earn a net return of 8 per cent. The earnings of this utility are showing steady progress which should be very favorably reflected in future quotations of these bonds. Net earnings for the past year were over two and a quarter times bond interest requirements.

Would Release Elevator Bond

United Grain Growers has called its bondholders to meet July 22, 1927, to discuss a proposal to lift the mortgage on the Port Arthur Elevator. Other security is to be substituted.

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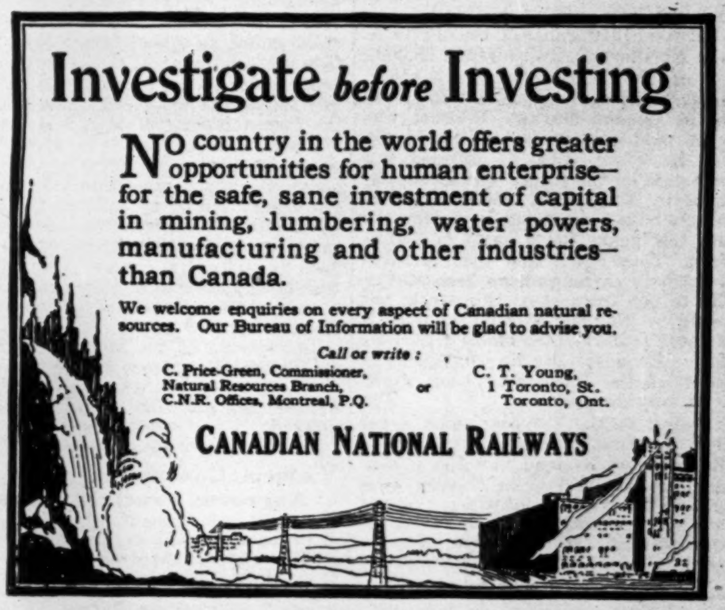
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TORONTO 2

NEW SETTLEMENT PROPOSED FOR C. N. STOCK HOLDERS

Official on Way to London To Consult With Committee

A representative of Sir Henry Thornton, is now on his way to London to present a new settlement to the English committee of the holders of the Canadian Northern income debenture stock and if accepted, the whole matter will be cleaned up by the fifteenth of this month. Although no information is available as to the proposed terms, it is understood that the committee fully anticipates receiving a better offer than the one made last year.

The representative has been acting as financial adviser to the Canadian National Railways during the last two years and it was he who prepared the first scheme of settlement, accepted by the shareholders in October, 1926. The failure of the government to ratify this agreement caused much disappointment, but since then the shareholders' committee have found certain misrepresentation in the proposed settlement that they have made further and more liberal demands.

Between 1910 and 1912, the old Canadian Northern Railway issued £5,000,000 of the income debenture stock, about 80 per cent. of which was placed on the London market. Interest was to be paid only when earnings justified it. Since 1914, no interest has been paid on the stock. The issue matures in May, 1930, and the shareholders have been dickering during the last few years for a basis of settlement. They claim that the Canadian Northern's earnings have been sufficient to pay interest on this stock, but owing to methods of bookkeeping, it has been found impossible to determine this. Request for an independent audit of the books has been given little consideration.

Owing to the trouble which arose over the first scheme of settlement, the offer to be made by the C.N.R. agent on his arrival in London, it is said, will be verbal and will not be put into writing until it has received the approval of the Dominion Government.

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Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of July 6	96.9	91.5
Week of June 28	97.7	93.8
Month of July, 1926	77.6	74.5
9 Bank Stocks		
Week of July 6	$253	$251
Week of June 28	252	249
Month of July, 1926	226	223
10 Public Utilities		
Week of July 6	110	105
Week of June 28	111	106
Month of July, 1926	85	83

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	4	4	1	9
Paper	6	7	1	14
Steel	9	13	18	40
Foodstuffs	10	23	13	46
Utilities	3	13	13	29
Tractions	4	2	8	14
Industrials	9	16	32	57
Textiles	1	5	11	17
Total	46	83	97	226

Protest Eaton Name on School Books

Retail Merchants' Association of Ontario has recently been protesting to the Ontario government against allowing the name of the T. Eaton Company to appear on school text books. The merchants association claims that the advertising secured in this way by the Eaton firm is unfair discrimination against the independent merchants of the country who are forced to meet the competition of the Eaton mail order business.

It is quite clear, they said that the child going to school and having before him the name of the largest mail order house in the country had indelibly impressed upon him the name of the firm and their place of business.

The Eaton company is given the contracts for manufacturing school books in open competition with other publishers and by submitting the lowest tender. The merchants claim, however, that the company can easily afford to submit a tender lower than that of anyone else as they can charge a part of the cost of production up to advertising.

In replying to the merchants, Hon. G. Howard Ferguson, premier of Ontario, declared that when the contracts expired the question would be reconsidered.

Victoria Commercial Body Approves Erection Elevator

VICTORIA.—Directors of the Chamber of Commerce have voted in favor of proceeding towards the consummation of a deal for the construction of a grain elevator at Ogden Point for the Panama Pacific Terminals, provided arrangements made for financing with the bank are satisfactory.

The decision was arrived at following the report made by C. W. P. Schwengers, president of the chamber, on the result of the negotiations he, J. S. H. Matson and Alderman Woodward carried on in the East.

Mr. Schwengers announced in his report that, after negotiations with bank officials and railway officials in Toronto, when the whole elevator project here was investigated from every angle, the Dominion Bank agreed to give a credit up to $200,000 upon the completion of the elevator here.

Other meetings of the directors and committee and those directly interested will be held immediately to deal with various angles of the problem of completing the elevator deal. The elevator will cost $680,000 and towards this the city will guarantee $500,000 of bonds, it is proposed.

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If Besco Plan Not Passed, What Will Outcome Be?

The National Trust Company claims that it holds sufficient proxies to prevent the management of Besco carrying out its plan of recapitalization. At least 75 per cent. of the three classes of shareholders of the corporation must accept the management's plan, otherwise it will not be put into effect after the shareholders meeting being held in Halifax on July 11.

As yet it is impossible to say definitely whether the plan will or will not be carried out for doubtless there will be some shareholders who at first will have made out proxies in favor of one party, who will later have forwarded other proxies, bearing later date, with changed names.

But many investors in the corporation are asking if the "Wolvin" plan be not passed, what then?

The immediate result is likely to be further deadlock with the present management in control, but unable to carry out their present plans without winning over at least some of those who are now supporting the contentions of the trust company, while the trust company can do little more than hope to seek the support of the courts.

The deadlock might be broken by the decision of the Nova Scotia courts in the action which the trust company has taken asking that the Dominion Steel Corporation be wound up. If the courts grant the winding up order, it will put the chief elements of Besco in the hands of the courts.

This, the trust company declare would in reality be a reorganization which would be carried out under the jurisdiction of the courts.

If the "Wolvin" plan be defeated at the forthcoming special general meeting of the shareholders, the outcome of the battle between Besco and the National Trust will then hinge on the decision of the courts.

If the courts refuse to grant a winding up order for the Dominion Steel Corporation, the Besco management will either have to win over some of the trust company supporters, or it will have to submit a plan which will be acceptable to the shareholders now supporting the management and in addition such a plan would also have to prove acceptable to National Trust Company.

It may be that the "large Canadian interests" who are reputed to be behind the Wolvin plan would come into the open with a direct offer to the shareholders, should the Wolvin plan be defeated Monday. This offer would then have to be considered on its merits.

Another possibility is the resignation of Mr. Wolvin, regardless of the fate of his plan, which might lead to more friendly discussions between the various groups.

NATIONAL TRUST CERTAIN THEY CAN BAR WOLVIN PLAN

(Continued from page 1)

plan down and to await an intensive study of the situation which will be followed by a plan of re-organization dealing fully with the whole situation and which would be carried out in open negotiation between all the many interests involved in Besco and its subsidiaries.

National Trust's Letter

In their letter to first and preference shareholders of British Empire Steel Corporation, asking them to vote against the Wolvin plan, National Trust Company state: "The question upon which you are to vote is simply whether at this time the preferred shareholders are prepared to surrender their preferred shares thus fundamentally altering the present voting control and accept in exchange therefor non par value shares which would represent only approximately one-third of the proposed new capital of the British Empire Steel Corporation, leaving over 650,000 shares in the treasury of the company to be subsequently issued on undisclosed terms."

It reproduces letters from two members of the shareholders' committees opposing the plan, and adds: "The Royal Trust Company, as the holder of 2,000 shares and as representing numerous clients whose shares are in their own names and other shareholders asking for its advice, representing altogether a much greater number of shares than the 2,000 which stand in its name, is opposing the proposed capital readjustment."

May Lose Voting Control

On the alleged danger of shareholders losing their voting control through the plan, the circular says: "To-day the shareholders of British Empire Steel Corporation, which is the controlling company of the Besco group, own all its assets. It is plain that in effect what they are now asked to do is to change their position so that when, after they have received their one-third of the proposed 1,000,000 shares of new stock and the remaining two-thirds have been sold, they will own only one-third of the assets and the purchasers of the remaining two-thirds of the stock will own two-thirds of the assets, including the purchase price they pay for the remaining two-thirds. If the price and terms upon which it is proposed to sell this remaining two-thirds are fair and reasonable and such as the shareholders would approve why is not information frankly and fully given to them so that before they fundamentally alter the existing voting control through the adoption of this scheme of capital readjustment they may have an opportunity to decide in the first place whether they desire that this two-thirds, or any part of it, should now be sold, and in the second place, whether the price and terms offered are satisfactory?"

"Liquidation" or "winding up" of the Besco and Dominion Steel only means having the court assume administration of the affairs of the companies for the protection of the shareholders and does not mean obtaining a realization of the company's assets, it is explained. "The liquidation proceedings taken by the National Trust Company in regard to British Empire Steel and by the Preference Shareholders' Committee of the Dominion Steel Corporation and National Trust Company in respect of Dominion Steel Corporation were both made as shareholders on behalf of all shareholders and for the purpose of preserving and protecting the assets of these corporations."

Why No Alternative Proposal

Explaining why it does not consider an alternative reorganization plan necessary or desirable at the moment, National Trust says: "No one, of course, could attempt the task of preparing a real plan of reorganization without making a close and intensive study of the assets, balance sheets, profit and loss accounts and of the facts relating to the present and future earning power of the Besco group of companies and to the development of these industries. So far as we are aware the essential information and the right to make the necessary examinations of accounts and properties is confined to the present management and Messrs. Hayden, Stone & Co. We do not think that the non-existence of any alternative proposal has any bearing on the question of the wisdom of opposing the scheme of capital readjustment now before you, and the only question before you at the moment is : Do you or do you not approve that scheme? Our own belief is that the shareholders should retain all their existing rights until some plan of reorganization dealing with the whole situation is put before them and they are given plenty of time to consider it and vote upon it and are furnished every opportunity to obtain full information and have proper explanations given to them so that they will know what they are really committing themselves to.

"The preparation of a fair, sound and comprehensive plan will require a close and intensive study of the whole situation and the working out of the plan should, in our opinion, be carried out in a frank and open negotiation with the representatives of all interests concerned, coupled with the giving of full information and explanations and the right to make reasonable examinations and investigations. Such a course we believe gives the best opportunity of obtaining for the shareholders of the British Empire Steel Corporation the maximum amount of real value possible, and also gives the greatest assurance of obtaining the full confidence of public and shareholders alike in the fairness and soundness of the reorganization."

Just Like Other Companies

President Wolvin, in replying to this letter, pointed out that "practically all large corporations have authorized and retain unissued shares in their treasuries, the issue of which is protected by law, and directors must live up to any trusts imposed upon them."

He declared that the reorganization plan was based upon the "close and intensive study and reasonable examinations and investigations" which the trust company said such a plan required.

He charged National Trust with seeking the winding-up of the companies. "A winding-up by the court, whether done at the instance of a creditor or shareholders is immaterial, can, in my opinion, only have the effect of wiping out any equity or interest of the holders of the second preference and common shares."

Offers His Own Withdrawal

Later Mr. Wolvin offered his resignation should the shareholders approve the reorganization plan.

This brought from National Trust the declaration that "the proxies which we have already received to be voted against the scheme insure its defeat. This fact is doubtless well known to Mr. Wolvin. Therefore, it seems no weight can be attached to his offer of resignation, which is conditional upon the scheme being adopted.

"In any event, we fail to see what bearing the resignation of Mr. Wolvin could have upon the question of whether or not the scheme should be adopted, for the scheme itself, in our opinion, is fundamentally objectionable from the standpoint of the shareholders."

Shareholders Who Support Plan

B. Hal Brown, president of the Prudential Trust Company, was chairman of the committee representing the holders of the common stock of the corporation. He has forwarded a letter to the British Empire Steel Company heartily endorsing the "Wolvin" plan, and alleging that the National Trust Company is simply acting in the best interests of the Dominion Iron bond holders and trying to secure control of the Dominion Coal Company for the benefit of the bondholders of the Dominion Iron and Steel Company.

Paul Galibert has also written the management of the corporation supporting the plan. He is a member of the shareholders' committee of the second preference shares of the corporation. Mr. Galibert's letter expresses surprise at the action of James Pow, chairman of the second preference shareholders' committee, in first accepting the plan and recommending it to the shareholders, and then changing his views.

A letter was sent to the shareholders by J. P. Steedman, of Hamilton, chairman of the first preference shareholders, in which he criticized the National Trust for their failure to submit or offer a plan which would be of greater value to the shareholders than the one adopted. "The committee representing the first preference shareholders, of which, as I have stated, I was chairman, took the position in the negotiations that upon a liquidation of the company as proposed by the National Trust Company, they were entitled under their contract to par for their shares, plus accrued interest," he says, "if order to preserve the organization of the company as a going concern the first preference committee with reluctance finally agreed that approximately 20 per cent. of the issued capital of the company when reorganized should be allocated to the holders of second preference and common shares. This was considered to be very fair treatment, and I am sure that the holders of second preference shares and common shares will, after mature consideration, agree there is little reason to complain."

At the annual meeting of Dominion Steel Corporation, Limited, held Monday, a resolution was passed unanimously by shareholders approving the action of the board of directors and of the corporation in opposing the application of the National Trust Company, for the winding up order to the corporation, and authorizing the board of directors to defend any further proceedings against the company or its assets, or to prosecute or take action or proceedings which may be deemed necessary for the protection of the company or its assets, or for the enforcement of any rights pertaining to the company.

Farmers Support Sugar Factory

Reports from the southern part of Alberta indicate that farmers in that section are giving strong support to the beet sugar factory at Raymond. To date some 7,000 acres of beets have been contracted to the factory and it is expected that fully 500 acres more will be included.

INVESTMENTS

Public Utility

Bell Telephone Co. of Canada......	5%	102.50	4.85%
Canada Northern Power Corp. Ltd.	6½%	103.50	6.18%
Canadian Pacific Railway.........	4½%	96.00	4.85%
East Kootenay Power Co., Ltd....	7%	105.00	6.46%
Gatineau Power Company.........	5%	97.25	5.18%
Manitoba Power Company, Ltd....	5½%	100.00	5.50%
Montreal Island Power Company.. (Carrying warrants to purchase 2 shares Common with each $1,000 bond)	5½%	101.00	5.43%
Montreal Tramways Company, Ltd.	5%	99.75	5.02%
Montreal Tramways Company, Ltd.	5%	96.25	5.25%
Montreal Light, Heat & Power....	5%	100.50	4.95%
Northern Canada Power, Ltd.......	6%	102.75	5.75%
Northwestern Utilities, Ltd.........	7%	102.25	6.75%
Ottawa & Hull Power Co., Ltd.....	6%	105.00	5.60%
Ottawa River Power Co., Ltd.......	6½%	104.00	6.20%
Southern Canada Power Co., Ltd...	5%	99.50	5.05%
Winnipeg Electric Co., Ltd.........	6%	101.00	5.90%
Winnipeg Electric Co., Ltd.........	5%	100.00	5.00%

Industrial

Aluminum Company of America....	5%	100.00	5.00%
Canada Paper Company..........	6%	101.00	5.90%
Canada Steamship Lines..........	5%	100.25	5.50%
Canada Steamship Lines..........	6%	99.00	6.15%
St. Lawrence Paper Mills, Ltd......	6%	99.00	6.10%
St. Lawrence Paper Mills, Ltd...... (Cum. warrants)	6½%	101.50	6.26%
Windsor Hotel Company..........	6½%	105.50	5.95%

Preferred Stocks

Eastern Dairies, Ltd...............	7%	99.00	7.07%
Canada Northern Power Corp., Ltd.	7%	100.00	7.00%
East Kootenay Power Co., Ltd.....	7%	100.00	7.00%
Ottawa & Hull Power Co., Ltd.....	7%	100.00	7.00%
Power Corporation of Canada, Ltd..	6%	96.00	6.25%

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NATION'S BUSINESS

(Continued from page 1)

Besco must be primarily a reorganization of the industry as such rather than a reorganization of a capital structure only.

• • •

IT MAY be that adoption of the National Trust proposals would effect this. It might put all the enterprises in more fluid form, where the receivers could co-operate to build, slowly, an harmonious, well-balanced operating structure. Capital reorganization should follow, not precede, this, and when it does follow, should, and no doubt will, look after the interests of bondholders and stockholders alike.

The National Trust is less definite in its proposals than the Wolvin interests. But whether shareholders are or are not prepared at the moment to go the full way with the National Trust, they are not serving their best interests if they vote for a reorganization plan that is not a reorganization of the industry but merely a shifting of the capital stock.

• • •

WHILE there is some uncertainty as to results likely to be achieved by the new scheme of the Canadian and British governments to settle boys in Canada, it has been favorably received in most quarters. As the Montreal Gazette says, "Every little helps," while others are ready to give it their friendliest support.

Cable despatches from London explain that the scheme is a further development of the farm training centres for British boys which have already been established under the auspices of several of the Provincial Governments. Under this scheme, the British and Canadian governments propose jointly to expend a total sum of $5,000,000 over a period of ten years in the form of recoverable advances to assist suitable British youths to take up farming in Canada on their own account.

• • •

BOYS of 21 who came to Canada between 14 and 20 and have acquired farm experience will be given loans.

It is believed that the prospect now afforded to thrifty and industrious British boys of a definite career on the land will have the effect of stimulating interest among British boys in the opportunities open to them in Canada under existing schemes for boy migration and under new schemes now being developed.

• • •

VARIOUS schemes are in operation in Canada that provide for bringing out British boys to take up work in Canada. On the whole, these schemes have worked out very well, and have been responsible for bringing large number of useful citizens to Canada for training and for permanent residence. The Salvation Army, the Dr. Barnado Homes and the British Immigration and Welfare League, have brought many youngsters to Canada. Macdonald Agricultural College near Montreal, has arranged to nominate a number of public school and secondary school boys to come to Canada for training as farmers. The boys will enter Macdonald College for the purpose of such training, seven months of the year being spent on farms selected by a college committee, and five months at the college itself.

• • •

THE PROVINCE of Ontario offers two suitable schemes of training. Fifty places annually have been made available for British boys, over 17 years of age, as students at the Ontario Agricultural College, Guelph, Ontario, Canada. The purpose of this arrangement is to provide, at a reasonable cost, training in scientific and practical agriculture for suitable well-educated boys, who desire to engage in Canadian farming, and whose parents or guardians are in a position to defray the expenses of a college course. The courses offered are for either two or four years.

The Ontario Government has also secured near Guelph, Ontario, Vimy Ridge Farm (330 acres) for the reception, training, placing, and after-care of the boys between the ages of 15 and 17. The boys will be placed only with such farmers as provide home surroundings, which, in the opinion of the Ontario Government, would be suitable. The government undertakes to furnish advice, protection, and supervision, so long as it may appear to be necessary for the boys' welfare, and in any case for not less than three years.

• • •

THE HUDSON'S Bay Company have some vacancies in the Fur Trade Department for public school boys between the ages of 17 and 20. Approved applicants are sent out to Canada on a five-year contract to some chosen post, in order to gain experience in the elements of the business. Free transportation is provided, and the maintenance allowance is gradually increased from $240 in the first year to $504 in the fifth, with board and lodging.

Boys are usually free to move easily, are adaptable, with proper training, to Canadian conditions, and make ideal immigrants. Schemes for bringing boy settlers to Canada under proper auspices are worthy of encouragement.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bdge 7s '55	107¾	108¾
Do., 8s '45	107	108
Buff Gen Elec 1st 5s '39	103½	...
Bfo N & E Pow 5s '30	102	103½
Lockport L H & P 5½ '54 ...	102¾	103¾
N. F. 1st & Com. 6s 1950 ...	105	106
Niagara Falls Pw. pf.........	28	29
Niag. Lock & Ont. pf.	113	115

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LOBLAW'S EARNED SIX PER CENT. NET ON GROSS SALES

Earnings Are Equivalent of $3.06 on Each Common Share

Really remarkable results have been achieved by Loblaw Groceterias in the past year. The company's annual report, just issued and covering the year to May 31 last, reveals that earnings are higher than the forecasts published a couple of weeks ago.

During the year Loblaw Groceterias:

Increased sales from $7,700,000 to $10,500,000;

Increased the percentage of profit on each dollar of goods sold from 5.12 to 5.98 per cent;

Increased the amount earned per share from $2.04 to $3.06, despite an increase in the number of shares outstanding.

These are the highlights in the report which has just gone forward to shareholders.

Net profit, for the twelve month period under review, stands at $629,140 against $395,272 in the preceding twelve months and $275,615 in 1925. Preferred dividends required $40,586 and common dividend and bonus $201,958. Provision for taxes of $51,320 was made and $3,570 paid out in premiums through redemption of preferred stock. This left a balance to be carried forward of $561,706.

Working Capital $300,000 Higher

Net working capital shows an improvement of close to $300,000 at $821,181. Current assets stand at $1,427,761, against current liabilities of $606,580. Investments are higher at $295,755 through the acquisition of 2,600 preferred shares of Loblaw Groceterias, Inc. Changes made in the capital structure are reflected in this year's balance sheet. Preferred stock outsanding shows a decrease from $619,300 to $547,000, and the second preferred issue has been entirely retired. The number of common shares outstanding is increased from 144,000 to 174,234.

Plan to Open Five More Stores

President T. P. Loblaw in his remarks to the shareholders, says total sales increased from $7,717,459 in 1926 to $10,517,093 in 1927, and the number of stores in operation from 40 to 49 in the same period. It is planned to open five more stores before July 31 next. The policy of opening new stores from time to time is to be continued and it is expected the business will show a corresponding increase.

Following is a comparison of the profit and loss account and the balance sheet figures for the past three years:

Profit and Loss

	1927	1926	1925
Net profit	$629,140	$395,272	$275,615
1st preferred div.	40,586	37,554	13,835
2nd pref. div.	......	28,440	28,440
Common dividend	201,958	144,000	......
Prem. pref. stock	3,570	119	2,325
Taxes	51,320	35,693	29,075
Year's surplus	331,704	149,466	201,940
Balance forward	567,185	413,567	202,866
Tax adjustment	3,477	4,152	8,672
Total surplus	902,368	567,185	413,567

Net Working Capital

	1927	1926	1925
Curr. assets	$1,427,761	$989,921	$648,583
Curr. liabilities	606,580	464,261	451,232
Work. capital	821,181	525,660	197,351

Loblaw's Growth and Earnings in 7 Years

	No. of Stores	Sales	Net Profit	% Net Profit to Sales
5¾ mos. ending Aug. 31, 1920	2	$ 237,978	$ 13,894	5.84
9 mos. ending May 31, 1921...	4	694,932	17,423	2.51
Year to May 31, 1922	8	1,829,577	67,339	3.68
Year to May 31, 1923	12	3,136,672	124,955	4.00
Year to May 31, 1924	20	5,066,386	211,776	4.18
Year to May 31, 1925	29	6,135,192	275,615	4.59
Year to May 31, 1926	40	7,717,459	395,272	5.12
Year to May 31, 1927	49	10,517,093	629,140	5.98

Lower St. Lawrence Power Deal is Completed

From Our Own Correspondent.

MONTREAL.—The Lower St. Lawrence Power Company and its subsidiary, the Matapedia Valley Power Company, have been purchased by the Central Public Service Company. The purchaser is a Chicago company which operates 50 or more public utilities, nearly all of them being hydro-electric properties, but a few gas and water companies also are included in the Central Public Service chain.

Last year, the holding company acquired the Maine and New Brunswick Power Company, and while the territory served by the Lower St. Lawrence Power and its subsidiary does not adjoin that of the Maine and New Brunswick Power, yet it is possible that ultimately the two territories might be connected.

The sale of the property was carried out by J. M. Robinson, of J. M. Robinson and Sons, investment bankers, of Saint John, N.B.

Bonds Held Publicly

The Montreal investment house of Newman Sweezy and Company was instrumental in organizing and financing the Lower St. Lawrence Power. Public investment interest in the company is confined to its first mortgage bond issue and the first mortgage bond issue of the subsidiary. The acquisition of the property by a large and experienced holding company appears to add greater strength to the first mortgage issue of bonds, of which there are $750,000 outstanding. Ranking after the first mortgage issue there are outstanding 8 per cent. second mortgage, bonds amounting to some $350,000. These are held privately.

All the stock of the Matapedia Light and Power Company is owned by the Lower St. Lawrence Power. This company's operations include supplying the town of Campbelltown, N.B., with electric power. Investment interest in the subsidiary is confined to its $350,000, 6½ per cent., first mortgage bond issues.

Consolidated "Smelters" Has Good Half Year

From Our Own Correspondent.

MONTREAL.—The publication of the production figures of the Consolidated Mining and Smelting Company for the second quarter of the year served to revive interest in the stock and to boost the price some sixteen points from 215½, the low for 1927, which the shares touched following the recent general market decline.

Superficially, the production figures appear to be satisfactory; with the exception of copper and gold the output for the first six months is larger than in 1926. But in the mining industry, production and net profits do not always move up and down together for operating costs vary considerably with the grade of ore which is being encountered underground. Thus forecasts of earnings based only on output are apt to be anything but reliable.

During the current year the price which the company has obtained for its output has declined appreciably. This will have its effect on the net earnings. However, the increased output should more than offset the decline in price, provided the operating costs of the company have not increased.

The figures for the first and second quarters and the first six months compare with those of 1926 as follows:

1927	Second Quarter	First Quarter	First Six Mos.
Lead (tons)	37,668	34,153	71,821
Zinc (tons)	*15,429	16,632	32,061
Copper (tons)	2,303	2,343	4,646
Gold (ozs.)	7,156	7,446	14,602
Silver (ozs.)	1,781,432	1,720,068	3,501,500

1926	Second Quarter	First Quarter	First Six Mos.
Lead (tons)	30,738	30,527	61,265
Zinc (tons)	15,404	14,439	29,843
Copper (tons)	3,267	2,194	5,461
Gold (ozs.)	15,253	12,475	27,728
Silver (ozs.)	1,515,601	1,798,758	3,306,359

*—includes 318 tons of zinc in concentrates exported.

RAIN INSURANCE COMPANIES MADE MONEY ON JULY 1

(Continued from page 1)

wherever professional ball is player, or where the gate for an amateur game promises to be an important one.

Must Be Written in Advance

One interesting feature of the business is that insurance companies are very particular to see that rain is the only gamble on the books, and both parties must be given an equal chance. In the first place, at least five days must elapse between the time the policy is signed and the time of the event. There is no chance of the promoters getting panicky a few hours before the event, and rushing to the nearest insurance office for coverage. Then again the companies protect themselves insuring for an amount that is out of proportion to the probable receipts of the entertainment. One company will not take a risk unless there is some experience to confirm the estimated receipts against which insurance is required. If no such information is available, the company will only insure for the amount of the expense.

The rate structure for rain insurance is something like a weather map, only a little more complicated. Every locality has its own particular rate, based upon Dominion Observatory records over the past 50 years. Then again the rates vary very considerably with the time of year. As referred to above, July is considered the worst month of the year for thunderstorms, while during August and September, the rates are considerably lower. One of the best and most constant sources of revenue for the insurance companies, are the fall fairs which are held in all parts of Canada during the fall of the year.

Ontario Grant is Small Factor

In Ontario, the provincial government grants a maximum amount of $10,000 to be distributed annually among fairs that have been spoiled by bad weather. No fair can collect more than $500, however, so that the grant is of very little assistance to the larger towns and cities. Furthermore, if the year is a bad one it is evident that there will not be very much money to distribute among the various local undertakings. Here, then, is where rain insurance steps in and guarantees at least some income in case of poor weather. Last year one of the fairs in Western Ontario ran into exceptionally bad weather—a three-day fair, and three days of rain and showers. Fortunately, there was rain insurance which netted the fair some $4,000 or $5,000, where otherwise there would have been a total loss.

How about the rates for rain insurance? Broadly speaking, the cost is anywhere from 5 to 10 per cent. per $100, depending upon the type of coverage and the conditions surrounding the risk. The rate is on an hourly basis, with a minimum time period of three hours, under the "measured rain" type of policy. The rates are high as compared with fire or other risks, but the argument is as follows: "If you have fine weather the premium will be easily swallowed up in high receipts. If rain spoils everything you will protect yourself from being out of pocket and probably clear a little extra besides.

"You can't stop the rain, but you can stop the loss."

FOREIGN EXCHANGES

Holidays Affect Market Operations

Little of interest developed in the way of rate movement or volume of business in the foreign exchange market during the week. Holidays interfered with the regular course of operations and there was no activity of more than ordinary importance in the leading currencies. New York funds, which have been selling at a fractional premium in the past few weeks, were slightly easier, but the rate continues around one-eighth of one per cent. premium.

Adverse news from Italy caused a drop of nine points or more in the rate for lire. It opened during the week around 5.54 cents, which is approximately the figure at which Count Volpi said would be maintained during the months just ahead. The government still frowns upon the activities of speculators, as some have found to their sorrow before. On the news of dissension in the Fascist party and also on account of heavy offerings for forward delivery by banks, probably for Italian government account, the rate was forced down to 4.45. It is unlikely that the government will allow the rate to remain long around that level in view of its announcement to stabilize the currency at 5.5 cents for the benefit of business.

Sterling has been under pressure in recent trading, but steady support has enabled a maintenance of rate. Pesetas also furnished activity at times, some transactions actually taking place at as high as .1722 cents, speculation being given as the reason for the upward swing.

Norwegian kroner came in for some attention, but the rate failed to rise over the holiday, as had been expected. Many traders were looking for the Norges Bank officials to send the rate to parity. For the past several months, however, foreign holders of kroner have been liquidating, which has shown itself in the decline in the Norges Bank's holdings of foreign currencies. This may be a factor in delaying operations leading to a par kroner. Foreign trade conditions have been exceptionally good in the early months of this year, the import balance for the period between January and April having declined nearly one-half as compared with the corresponding period of last year.

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last Year High (Discount)	Last Year Low (Discount)
June 29	1-8	1-8	11-64	3-16
June 30	5-32	1-8	7-64	11-64
July 2	....	...	1-8	9-64
July 4	5-32	9-64	1-8	1-8
July 5	5-32	5-32	3-32	1-8
July 6	5-32	9-64	3-32	7-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
June 29	4.85 3/16	3.91½	5.54¾
June 30	4.85¼	3.91½	5.53
July 4	......	......	....
July 5	4.85¼	3.91½	5.51½
July 6	4.85 3/16	3.91½	5.45

FOREIGN EXCHANGE

Par		June 28	July 6
13.90	Italian	5.63	5.47
32.45	Brazilian	11.75	11.73
23.82	German	23.73	23.73
19.30	Belgian	2.78½	13.92
84.85	Japan	47.25	47.45

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & 1 com...	3	4
Can. Machinery, com.	5	7
Can. Westinghouse, com.	170	..
Chase, A. W., com.	5	8
Do., pref.	65	75
Dom. Combing Units	12	18
Fanny Farmer, com.	28	29
Do., pref.	29	31
Farmers Dairy, com.	80	..
Farmers Dairy, pref.	100	105
Goodyear Tire, 6% pref.	100	100¼
Goodyear Cotton, pref.	97	103
King Edward Hotel, Deb. B.	59	63
King Edward Hotel, Deb. A.	70	74
Loew's Buffalo, pref.	37	42
Nat. Grocers, 1st pref.	94½	98
Nat. Grocers, com.	1	4
Canada Life	875	1100
Continental Life, 20% paid	50	56
Crown Life	190	..
Empire Life	29	30
Excelsior Life, 30% paid	80	88
Great West Life	425	440
Monarch Life, 10% paid	38	42
Mortgage Discount, pref.	6	6¾
Ontario Equitable	29	32
Security Life, 40% paid	..	28
Sun Life, 75% paid	950	1100
Toronto Finance, pref.	3¼	4

Stock Market Record

WEEK ENDING JULY 5

	Div. Rate	Yield July 4	High for wk.	Low for wk.	Close July 5	Close June 27	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.07	256	252½	256	251	116	256	228
Dominion	12+1	5.41	240	238	240	242	52	244	217
Can. Nationale	10	6.06	165	165	165	165	2	165½	160½
Imperial	12+1	5.77	225	224¼	224½	225	29	226	214
Montreal	12+2	4.66	301	300	300	301	140	301	272
Nova Scotia	16	4.71	340	338	340	335	206	340	298
Royal	12+2	4.88	288	284	288	286	271	291	257
Standard	12	5.74	209⅛	207	209	206	37	209⅛	196
Toronto	12	4.91	244	244	244	248½	4	248½	227
Paper—									
Abitibi, com. (no par) ..	5	5.31	96½	91	96¼	93	2435	97¾	82
Do. pref.	7	6.03	116	116	116	117	5	119	112
Belgo-Can., pref.	7	6.82	102½	102	102½	102¼	48	105	101
Brompton (no par)	$2	6.34	32¼	31	32	32½	1235	35	31
Fraser, pref.	7	7.27	97	96¼	96¼	96½	40	99⅞	96¼
Inter. Paper, com.	$2.40	5.21	47¼	44½	47¼	44¾	50300	60⅞	39½
Laurentide	6	6.59	91	90	90¾	91	2015	110¾	90
Price Bros., com.	2	3.84	52½	51¼	51¼	52	360	63	51¼
Do. pref.	6½	6.43	101	101	101	101⅜	160	104	100
Smith, Howard, com.	.	...	60	60	60	60	80	68¾	60
Do. pref.	8	7.27	110	110	110	111	5	112	103½
Span. River, com.	7	7.07	100	97½	100	98½	960	102¾	97½
Do. pref.	7	6.19	114	112½	112½	114	130	116½	110¼
Wayagamack	$3	5.19	58½	56⅛	58½	57½	1300	61¾	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	½	½	¾	16	1⅜	½
Do. 1st pref.	.	...	21	21	21	20	50	29¼	10
Do. 2nd pref.	.	...	1¾	1¼	1¾	1½	271	4	1
Can. Car & Found., com. ..	.	...	38	36	36	39	215	50¼	36
Do. pref.	7	7.95	88½	86¼	88	89	365	94½	86¼
Can. Fairbanks, pref. ...	6	6.66	..	...	...	...	...	90	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	.	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50) ..	.	...	49¾	49¾	49¾	49	175	60	49
Do. pref. (par $50)	7	5.93	..	...	...	...	...	61	45
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	7.27	..	...	...	...	...	60	42
Can. Locomotive, com. ...	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.33	84	84	84	85	5	89	83
Dominion Bridge	4+2	3.35	180½	169	180½	183	4720	193½	116¾
Dominion Coal	.	...	79	79	79	82	2	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	2
Dom. Radiator, pref.	7	7.00	..	...	...	...	...	101¾	100
Dom. Steel Corp., pref. ..	.	...	30	30	30	30½	70	31¼	20
Ford Motor	15	...	475	475	475	436	13	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, c. (no par)..	.	...	11	10	10	11	110	15	9⅞
Do. pref.	7	8.02	87½	87¼	87¼	88	43	95	87¼
Massey-Harris, com.	.	...	36	32	35⅝	34½	26305	42¾	29
Do. pref.	7	6.45	109¼	108½	109¼	109	232	109¾	103½
McKin. Ind., c. (no par).	.	...	..	...	...	...	...	25½	15
Do. pref.	7	7.42	94¼	94¼	94¼	94	10	97	93½
Do. Vot. Trust	.	...	..	...	...	...	...	26¾	15
Ontario Steel, com.	4	4.25	94	94	94	92½	15	94	73
Do. pref.	7	6.66	..	...	...	...	...	105	100
Page Hersey, com.	$3	4.38	68	67	68	68½	218	75½	55½
Do. pref.	7	5.07	138	137	137	138	130	150	116
Pressed Metals, com.	75c	...	..	...	...	...	...	46¾	34¼
Do. pref.	7	7.77	..	...	...	...	...	90	85
Russell Motor, com.	3	5.00	60	60	60	55	15	60	52
Do. pref.	7	7.29	96	96	96	98	1	98	90⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	..	...	...	...	...	22	5
Steel of Canada, com. ...	7	5.22	135	130	134	135	1355	137½	117
Do. pref.	7	4.99	..	...	...	...	...	140¼	127
Milling and Foodstuffs—									
Alta. Pac. Grain, com. ...	.	...	21½	20½	21½	21	190	27¼	19½
Do. pref.	7	7.95	88	87¾	88	87¾	35	92	85
Arnolds, com. (no par) ..	.	...	14¼	10½	13½	14	1520	26	10½
Do. pref.	7	8.43	85	83	83	85	64	95	83
Atlantic Sugar, com.	.	...	24¼	21¾	24¼	23⅞	1400	32	21¾
Do. pref.	.	...	94½	94½	94½	95	20	101¼	90
B. C. Fishing, com. (new)	$1.25	8.33	15⅝	14⅝	15½	15¼	1727	22	14⅝
Do. pref.	7	8.80	80	79	80	80½	173	90	79
Can. Bak., c. (no par) ...	.	...	28	28	28	27	100	38½	26
Do. pref.	7	7.07	99⅜	99	99	100	45	102	97
Can. Bread, c. (no par)...	$5	4.67	107	105	107	106	325	116	90
Do. pref. (A)	7	6.00	...	...	...	...	...	116½	108½
Do. pref. (B)	7	6.45	108½	107½	107½	107¾	15	112¼	103
Can. Canners, com.	.	...	49	48	49	50½	16	63½	21
Do. pref.	5	5.98	85	83	83⅝	85	232	97	76
Canadian Salt	8	5.97	..	...	...	...	...	136	123
Christie Br., c. (no par)	$1.20	2.03	60	59¾	60	60½	20	66	38
City Dairy, c. (par $25)..	3+1	3.47	118½	115	115	120	302	126	79
Do. pref.	7	5.88	119	119	119	118	30	121	112
Cuban Can. Sugar, com...	.	...	2	2	2	2	30	5	2
Do. pref.	.	...	29	29	29	29	15	37	29
Wm. Davies (A) (no par)	.	...	39	38¼	38¼	39	634	45	25
Do. (B) (no par)	.	...	...	...	...	...	...	19½	9
Dominion Stores (no par)	$2.40	3.24	74½	73	73	77	251	85½	65
Do. Rights	.	...	3½	2¾	3	3½	1126	4	2¾
Hamilton Dairies, com. ..	.	...	28	28	28	30	50	33	24
Do. pref.	7	7.29	96	96	96	96½	10	98½	96
Inter. Milling, pref.	7	6.73	104¾	104	104¾	104½	53	107	104
Lake of Woods, com.	12	8.57	144	140	140	145	91	160	130
Do. pref.	7	6.30	111	110	111	110	10	117	110
Loblaw, com.	$1.25	2.55	49	48⅞	48⅞	50	68	51	48
Do. pref.	7	6.36	110	110	110	111	1	111	107
Maple Leaf Mill., com. ...	.	...	50	50	50	60	5	73¼	50
Do. pref.	7	7.27	98	96¼	96¼	98	95	101¼	94
Ogilvie Flour, com.	5	1.83	272½	271	272	272½	85	290	205
Do. pref.	7	5.60	..	...	...	...	...	125	120¼
Pure Gold Mfg. (no par)	$1.50	7.05	21¼	20	21¼	21⅛	55	21⅛	19⅛
Shred. Wheat, c. (no par)	$3	5.00	63	60	63	61¼	315	70½	55
St. Law. Flour, com.	.	...	..	...	...	...	...	31½	28
Do. pref.	7	8.23	..	...	...	...	...	85	80
Viau Biscuits, com.	.	...	20½	20	20	21	40	26	18
Do. pref.	7	7.77	90	90	90	90	75	92½	83½
W. Can. Fl., c. (no par)..	$1.40	5.40	26	24	26	24	40	29½	22
Do. pref.	6½	6.34	..	...	...	...	...	103¼	100
West. Groc., c. (no par)..	$1	...	..	...	...	...	...	29	18
Do. pref.	7	8.97	..	...	...	...	...	84	74¼
Transportation—									
Can. Pacific Rly.	10	5.63	178½	177	177	179	88	190	166
Can. Steamships, com. ...	.	...	37½	36	37	37½	203	42	35
Do. pref.	6	6.78	89	87½	87¾	89	1036	94¾	82½
Do. voting	.	...	35	35	35	35⅛	50	37½	32½
Utilities—									
Bell Telephone	8	5.40	148	146½	147½	147¾	260	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.60	179	178	179	178½	80	182	171½
East Koot. Power	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.17	97½	97	97	97	...	98½	96¼
Inter. Util. (A((no par)	$3.50	8.75	40	39⅛	39⅛	39½	16	42	28
Do. (B) (no par)	.	...	..	...	...	...	30	7⅝	4½
Jamaica Pub. Ser., pref. ..	7	7.07	..	...	...	...	...	100¼	97
Laurentide Power	5	4.67	..	...	...	...	...	120	107
Mackay, com.	7	6.19	113	111	113	110	151	127½	108
Do. pref.	4	5.79	69	69	69	70	10	74	69
Mexican Light, com.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	..	...	...	...	...	120	77¼
Mont. L H & P (no par)	$2	2.38	84	79	83½	84½	11862	85¾	68⅛
Montreal Teleg. (par $40)	8	5.20	..	...	...	...	...	51½	49
Nor. Mexico Pr., com.	1	...	76	75	75	77	140	83	42
Do. pref.	7	7.56	..	...	...	...	...	98	82½
Ottawa & Hull Pr., com. ..	.	...	..	...	...	...	...	28	26
Do. pref.	7	7.21	..	...	...	...	...	99½	96
Ottawa L. H. & Pr., com..	6	5.59	107¼	106½	107¼	107½	145	107½	98½
Do. pref.	6½	6.07	...	...	...	...	...	107½	102
Quebec Power, com.	6	2.22	274	240	271	275	7016	311	190
Shawinigan	$2	2.41	83¼	71½	82½	81¾	36432	93¾	67
South. Can. Pr., com.	$2	2.17	92	91½	92	91½	30	97	85
Do. pref.	6	6.03	100¼	99½	100	100¼	102	102½	99½
Tractions—									
Barcelona (par $50)	1	...	..	...	...	...	...	51	33½
Brazilian, com.	6	3.73	161¾	148¾	161½	156½	79642	172	102½
Do. pref.	6	4.51	134	125	133	131	1353	143½	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	2
Duluth-Superior	$2	7.40	..	...	...	...	...	30⅝	25
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.40	185	185	185	187	25	200	169
Ottawa Traction	4	5.97	67	67	67	66½	50	70	64
Porto Rico Rlys., com. ...	2	2.80	..	...	...	...	...	70⅝	59
Do. pref.	7	7.29	..	...	...	...	...	96⅛	90
Twin City, com.	4	8.00	51	50	50	51½	112	66	48⅝
Do. pref.	7	6.86	..	...	...	...	...	101	100
Winnipeg Elec., com.	1	...	74	70½	73¾	73	1765	79⅝	60⅝
Do. pref.	7	6.79	104	101	104	104	51	105	100⅝
Textiles—									
Can. Conn. Cotton, pref...	4	9.09	..	...	...	...	...	50	36
Can. Converters	7	7.44	94	94	94	94	30	107½	94
Can. Cotton, com.	8	6.45	..	...	...	...	...	132	120
Do. pref.	6	6.03	..	...	...	...	...	100	95
Can. Woollens, com.	.	...	8	8	8	8	85	10	6
Do. pref.	.	...	60	59¾	60	60	70	63½	59¾
Cosmos Imp., com.	.	...	24½	22¾	23½	24½	771	27	13
Do. pref.	7	7.07	99	97	99	100	35	101	91¼
Dom. Textile, com.	5	4.44	113	111	112½	112¾	798	120⅝	105
Do. pref.	7	5.78	121	121	121	121	6	121	117
Monarch Knitting, com. ...	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	52	52	52	53	25	54	49
Montreal Cottons, com. ...	6	5.31	..	...	...	...	...	117	110
Do. pref.	7	6.03	..	...	...	...	...	118	115
Penmans, com.	4	5.55	72½	72	72½	72	242	79	70
Do. pref.	6	5.91	..	...	...	...	...	105	101
Wabasso Cotton	6	6.45	93	92	92	95	35	116	84
General Industrials—									
Amer. Sales, c. (par $20).	4	6.66	61½	60	61½	61½	6	75	60
Do. pref.	7	6.93	102	101	102	102	9	102	97½
Asbestos Corp., com.	.	...	23½	21	23½	23	1262	25	20
Do. pref.	7	7.95	88¾	87	88	89	1914	90	82¾
Brant. Cord., pf. (par $25)	8	8.88	23	22⅜	22⅜	22¾	220	25	21
Building Products, pref...	7	7.14	..	...	...	...	...	98	93½
Burt, F. N., com.	$3	5.08	59¼	59	59	60	285	66	56½
Canada Cement, com.	6	4.22	145	138	142	145⅜	1516	153½	124½
Do. pref.	7	5.88	120	119	119	119¾	152	121½	116
C. Ind. Alc. (no par)	$1.28	4.03	32	28¼	31⅞	28¾	15760	34½	21¼
Canadian Oil, com. (new) .	.	...	..	...	...	...	...	24⅞	24
Do. pref.	8	6.66	..	...	...	...	...	120¼	115½
Crow's Nest Coal	6	10.00	..	...	...	...	...	71½	60
Dom. Glass, com.	7	6.03	117	113½	117	117	1730	125½	104
Do. pref.	7	6.19	114	114	114	113	5	115	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	x87½	80
East. Theat., c. (par $25)	.	...	30	30	30	30	24	30	24
Do. pref.	7	7.52	93	93	93	97	16	97	92½
Famous Players, com.	.	...	..	...	...	...	...	30¼	20
Do. pref.	8	8.42	96	93½	96	94	191	101	98½
Gilman, com.	6	5.45	..	...	...	...	...	112	110
Do. pref.	7	6.08	115	115	115	114¾	3	125	110
Goodyear Tire, pref.	7	7.00	100	98½	100	100¼	162	109	94½
Hayes Wheel, com.	.	...	30½	30	30	30	195	34	27¾
Do. pref.	7	7.69	91	91	91	95	20	96	91
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's, Ltd., c. (no par)..	.	...	25	24	25	24	30	25¼	20
Do. pref.	7	7.77	..	...	...	...	...	95	90
King Edward Hotel	$1	...	38	35	35	41	165	60	20
Lake Ont. Brew.	50c	...	25¼	24	25¾	25½	1085	27	24
Laura Secord, com.	.	...	31	30	31	32	90	35	26
Do. pref.	7	6.48	108	108	108	110	100	112	102
Lyall Construction	.	...	32	32	32	33	55	45¾	25
Loew's Theatre, com.	.	...	45	45	45	45	100	47	38
Do. pref.	7	6.73	102½	102½	102½	104	25	105	96½
Nat. Brew., c. (no par)..	$4	5.88	68	66½	67¾	68	2646	73½	65
Do. pref.	7	6.54	..	...	...	...	...	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	10.76	..	...	...	...	...	81	65
Pacific Burt, com.	6	6.18	..	...	...	...	...	100	87
Do. pref.	7	6.51	..	...	...	...	...	108⅛	102
Port Hope Sanitary, com. .	3	2.14	..	...	...	...	...	140	125
Do. pref.	7	6.54	..	...	...	...	...	108	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	7.00	..	...	...	...	...	100	92
Seagram (no par)	.	...	23¾	19⅞	23½	21⅝	7365	28⅞	15
Sher-Williams, com.	6	3.79	160	158	160	160	50	170	142
Do. pref.	7	5.93	118	118	118	120	40	120½	117
Standard Chem., pref.	.	...	20	20	20	15	50	20	15
Sterling Coal	4	13.33	..	...	...	...	...	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref. (new)	7	...	68¼	68¼	68¼	70	10	70	68¼
Tuckett Tobacco, com.	4	5.35	74¾	74¾	74¾	75½	25	75½	69
Do. pref.	7	6.60	..	...	...	...	...	107	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.21	..	...	...	...	...	89	76
Trust and Loan—									
Can. Landed (par $50) ..	10+1	5.44	..	...	...	...	...	101	94
Can. ermanent	12	5.40	222	222	222	221	6	223½	216¼
Colonial Invest.	6	...	..	...	...	...	...	7	5⅛
Huron & Erie	7+½	4.95	..	...	...	...	...	152¼	139
Landed Banking	9	5.23	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.80	..	...	...	...	...	255	232
Ontario Loan (par $50)..	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.87	244	244	244	246	20	246	220
Toronto M'ge. (par $50)..	10+1	5.37	..	...	...	...	...	103½	100
Union Trust	7	6.36	..	...	...	...	...	110	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield July 4	High for wk.	Low for wk.	Close July 5	Close June 27	Sales for wk.	Range, 1927 High	Range, 1927 Low
Anticosti, pref.	7	7.12	..	...	...	...	...	98⅜	98
Attendu Engine (par $1).	.	...	17	16	16½	17½	375	35½	14
B.C. Oilfields	.	...	..	...	...	...	...	2⅜	2
Beacon Oil	.	...	15⅝	15	15	17	220	20¾	15
Belding, com.	6	8.57	..	...	...	...	...	88	70
Do. pref.	7	7.14	..	...	...	...	...	100	98
Brading Brewery	.	...	..	...	...	...	...	35½	25
Brit. Amer. Oil	80c	3.64	23¼	21½	23	22	7011	28	20
Brew. & Distil. (par $5)..	5	...	6¼	6⅛	6¼	6⅛	10	6¼	4½
Can. Brewing	.	...	25	23	25	23	541	30¼	23
Can. Bronze, com.	.	...	45	43	44	43½	696	50¼	43
Do. pref.	.	...	100½	100	100	100	55	101	100
Can. Celanese	.	...	..	...	...	...	...	72	52¾
Do. pref.	.	...	88	88	88	89	10	91	88
Can. Nor. Pr., c (no par)	.	...	53	53	53	52	68	53½	42
Do. pref.	7	7.14	98	98	98	98	100	100	98
Can. Light & Power	.	...	35	35	35	38½	4	55	20
Carling Brew.	.	...	25¾	24¼	24¾	25½	2230	28½	22⅞
Cockshutt, pref.	4	5.71	70	70	70	70	8	82	70
Continental Oil	$1	...	..	...	...	...	...	22¼	17
Cosgrave Brew. (par $10)	5	5.00	10	8½	10	8¾	895	12	6
Cooksville Shale Brick, c..	.	...	11	11	11	14	5	14	10¾
Do. pref.	4	...	..	...	...	...	...	54	50½
Com. Alcohol	.	...	16½	16	16	16	40	70	15
Foothills Oil	.	...	..	...	...	...	...	2.90	2.25
Dom. Engineering	8	4.25	188	182	182	189	75	189	185
Dom. Power, pref.	7	7.00	100	100	100	100½	75	101	100
Dryden Power (no par)..	.	...	10	9½	10	10¼	85	15½	9½
East. Dairies, c. (no par).	.	...	..	...	...	...	...	29¼	20½
Do. pref.	7	7.36	..	...	...	...	...	96½	94
Eng. Elec., c. (no par)...	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	..	...	...	...	...	95	72¼
Good. & Worts (no par)..	$1	1.96	52½	48½	51	52¾	4300	64	43¾
Inter. Power, com.	.	...	17	17	17	16½	20	17	14½
Do. pref.	.	...	87	87	87	86	30	90½	86
Hiram Walker	.	...	49	46	49	47¾	8890	57¼	28½
Illinois Power, pref.	7	7.14	..	...	...	...	...	100½	98
Imperial Oil	$1.12½	2.66	42½	40¾	42½	42¼	5364	47	37¾
Imp. Tobacco, c. (no par)	6	...	8	7½	8	7½	105	8	6¾
Inter. Petroleum	75c	2.59	29½	28	28¾	28	970	35¼	28
Loew's London, com.	25+5	...	..	...	...	...	...	5¾	4½
Mitchell, J. S.	.	...	..	...	...	...	...	30	28
Manitoba Power (no par).	.	...	56	56	56	56	130	58½	50
McColl, com. (no par) ...	80c	2.05	40	37¾	39	39½	2110	41	22½
Do. pref.	7	6.03	117½	115	116	117¾	165	118½	100
Mount Royal, com.	.	...	5	5	5	3	5	6	3
Do. pref.	6	...	48	48	48	52½	35	55¾	48
Northern Bakeries	.	...	27¼	25½	27¼	26¾	1320	36¾	25
North Star Oil, com.	.	...	..	...	...	...	...	2.55	1.15
Do. pref.	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par).	.	...	..	...	...	...	...	25	19
Do. pref. (par $50) ...	7	7.44	..	...	...	...	...	48⅝	47
Ottawa Riv. Pr. (no par).	.	...	26	26	26	25½	13	26	28
Paton Mfg., com. (no par.	.	...	50	50	50	60	50	60	50
Do. pref.	.	...	..	...	...	...	...	100	98
Power Corp., c. (no par).	.	...	39	37¾	38	40	1043	44	27¼
Do. pref.	6	6.31	96	95	95	95	146	97½	94
Port Alfred, pref.	7	7.33	..	...	...	...	...	97½	95
Perfection Glass	.	...	8	8	8	7	15	8	7
St. Maur. Power	.	...	126	120	120	126	223	150	96
St. Maur. Valley, com. ...	.	...	52	52	52	52	50	57½	47
Do. pref.	7	7.36	95	95	95	95	30	98	90½
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100
Sovereign Secs. (par $5)..	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	39	35	35	39	100	54	35
Do. pref.	8	7.54	106	106	106	106	5	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Brewing	.	...	12	12	12	12	250	13⅛	12
United Secs., com.	.	...	..	...	...	...	...	70½	43½
Do. pref.	6	5.79	103½	103¼	103½	103½	26	105¼	103¼
Volcanic Oil	63c	...	47	46⅛	47	49	325	47¼	36
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen	.	...	..	...	...	...	...	25	20

xQuotations for 1926. No sales recorded in 1927 to date.

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Pulp & Paper

AUSSIE PACT AIDS BRITISH COLUMBIA NEWSPRINT MILLS

Expect to Ship 50,000 Tons of Paper This Year

From Our Own Correspondent.

VANCOUVER.—It is doubtful whether any Canadian industry has been more substantially benefitted through the operation of the Australian preferential trade agreement than pulp and paper.

Before the agreement came into effect Canadian exports of paper to Australia were negligible, a few hundred tons here and there in parcel shipments and that was all—certainly not enough to be an important factor in export trade.

Sell 50,000 Tons This Year

There is a different story to tell this year. Mill operators here estimate that Canada will sell about 50,000 tons of paper to Australia this year, and of this amount British Columbia mills, notably Pacific Mills and the Powell River Company, will account for 35 per cent. Both of these concerns are shipping to Australia at present at the rate of approximately a thousand tons a month.

"This is all practically new business and is therefore of double importance," a paper mill export manager told The Financial Post. "Australian business in paper and pulp will be worth considerably more than $3,000,000 this year, and we consider that we are blazing the trail this year to much increased business in the years to come."

Set Out to Win Pacific Trade

The Australian development is particularly welcome at this time when there is talk of a serious over-production of paper in Canada. British Columbia paper men are not worried over the situation, and their confidence is to be laid largely to the increasing export trade with countries across the Pacific.

Because of their geographical position and the cost of transportation British Columbia mills are not directly affected by the economic conditions governing the industry in Ontario and Quebec and other eastern provinces. Their field is the Pacific and they are setting out to make the most of it. On account of railway rates they cannot expect to compete with eastern mills in their own markets in paper, but there appears to be some opportunity for growing sale of pulp in the east and some of the coast mills are cashing in on that.

Sees No Over-Production

This, however, is the way the situation is sized up by a recognized authority on the pulp and paper industry in the Northwest: "Considering that the total paper consumption has increased from 5,490,000 tons in 1914 to 10,580,000 tons in 1925, it is illogical to base any conclusions as to over-production on the present figures. Mills now planned will not be in operation until 1929, and the future production should be estimated with reasonable accuracy for 1930.

"The tendency of the present consumption is to reach 14,700,000 tons in 1930, but allowance should be made for the exceptional increase during the prosperous years of 1925 and 1926, and it is doubtful if the consumption will reach 13,500,000 tons. Even if that figure is reached mills now contemplated should not bring production to a point greatly in excess of that."

Another Newsprint Mill is Under Way

MONTREAL. — It is understood that active construction work on Donohue Brothers new newsprint mill at Murray Bay has begun. The new mill is to be located beside Donohue Brothers pulp mill; it will house the newsprint machines to be brought from the Tidewater Paper Mills at Brooklyn, New York. Formerly, the Murray Bay Company sold its pulp to the Tidewater, but the United States plant has been idle for some months pending the change and in the meantime the Murray Bay mill is storing its pulp.

Manitoba Paper Starts Second Paper Machine

From Our Own Correspondent.

Montreal.—It is understood that the Manitoba Paper Company is to place its second paper machine in operation immediately. The first machine was completed and began producing some months ago. The second machine has just been installed. Each has a rated capacity of 125 tons of newsprint daily.

The company is controlled by Spanish River-Abitibi interests and its output is sold through the Canadian Newsprint Company. Naturally the output will practically all be sold in the middle west of the United States. As both the Spanish River and the Abitibi companies have a financial interest in the Manitoba and St. Ann paper companies, the starting of the machines at both these new companies has a distinct bearing on the investment picture of the two older organizations.

Brompton's Mills Now Operate at Capacity

From Our Own Correspondent.

MONTREAL.—The Brompton Pulp & Paper Company's new newsprint mill, which went into operation at Bromptonville, P. Q., at the beginning of this year, has been operating very satisfactorily. The mill houses one newsprint machine with a rated capacity of 110 tons per day and the output of the machine has been brought up to capacity.

Thus, with the company's oldest newsprint mill at East Angus producing well over 100 tons daily, the total newsprint production of Brompton now exceeds 200 tons a day. The entire output is absorbed by the Hearst publications. Thus Brompton experiences no trouble in marketing its output. The Bromptonville newsprint mill obtains its ground wood pulp from the Bromptonville ground wood mill.

From its Canadian plants, the company produces, in addition to newsprint 55 tons of box board and 25 tons of kraft, manilla and fibre papers daily. The American plants produce 70 tons of kraft and 85 tons of bond paper daily.

Newsprint Mill To Be Built Soon at Amos

From Our Own Correspondent.

MONTREAL.—Montreal interests are understood to be considering the erection of a new newsprint mill with an initial capacity of 100 tons daily on the Harricana river, at Amos, P.Q. Among the group interested in the new enterprise are Senator Belcourt, Hon. Athanase David, W. H. Baldwin, M.P., and Messrs. Brown, of Walter J. Francis and Co., and Balfour, of Balfour, White and Co.

It is said that the interests behind the project propose to start construction work on the mill before next winter. Power for the plant will be obtained from the development of the Bell river at Senneville, sixty miles distant from the site selected. The syndicate as yet owns no pulp limits and proposes to obtain the greater portion of its raw materials from settlers in the district.

B. C. Pulp and Paper Profits Maintained

From Our Own Correspondent.

MONTREAL.—It is understood that earnings of the British Columbia Pulp and Paper Mills are running along at about the 1926 level. At the close of 1926 and at the beginning of this year, the company experienced lower profits, due to the decline in the demand in Japan. The poorer market there was the result of the financial difficulties of that country. Since the beginning of the year, though, shipments to the East have increased and earnings have again mounted.

The first annual report of the company for the year ending December 31 last showed net profits after all charges of $81,060; preferred dividend requirements for the year amounted to only $38,934.

Business Conditions in United States

Measured by cheque payments, the dollar volume of trade in the United States during the week ending June 25 was smaller than in the preceding week but greater than a year ago, according to the weekly statement of the Department of Commerce. Wholesale prices declined from the preceding week, reaching the lowest point in more than three years. Prices for wheat, however, averaged higher than in the preceding week, while cotton prices showed no change, being lower than a year ago.

Loans and discounts of Federal reserve member banks were substantially larger than a year ago. Interest rates on time money, while showing no change from the preceding week, averaged higher than last year. Bond prices again declined from the preceding week but were higher than a year earlier. Stock prices declined from the preceding week but averaged substantially higher than in the corresponding period of last year. Loans to brokers and dealers by Federal reserve member banks in New York City, secured by stocks and bonds, were substantially higher than a year ago. The Federal reserve ratio advanced over both the preceding week and the corresponding week of a year ago.

New building contracts awarded in 37 states were higher than in either the preceding week or the corresponding week of 1926. Receipts of cotton into sight were greater than a year ago. Business failures were more numerous than in either the preceding week or the corresponding week of a year ago.

The production of bituminous coal during the week ending June 18 was smaller than in either the preceding week or the corresponding week of last year. Beehive coke production made similar comparisons with both prior periods. The cut of lumber during the same week was smaller than in either the preceding week or the corresponding week of last year. Receipts of wheat at the principal primary markets were higher than a year ago. Cattle receipts, however, were smaller than last year, while hog receipts were practically the same as a year earlier. The movement of goods into consumption, as indicated by carloadings data, continued heavy.

Gatineau Power Starts Up Third Unit at Chelsea

The third unit in the Chelsea, Quebec, power house of Gatineau Power Company has been started and is supplying power to the Gatineau mill of Canadian International Paper Company now nearing completion. The first unit at Chelsea was turned over on January 4, one year and seventy-seven days from the commencement of construction, and the second unit was put in operation on January 29. All three units as well as one unit in the Farmers hydro-electric plant of the Company, 7,000 feet below Chelsea, are furnishing power to the Gatineau mill.

The Chelsea development is on the Gatineau River, seven miles from the City of Ottawa. The power house is designed for five units of 34,000 horsepower each and will operate under a head of ninety-six feet. The dam is 1,600 feet long and one hundred feet in height, and the height of the powerhouse is about one hundred and sixty feet. The dam backs the river up a distance of twenty-six miles to the tailrace at Paugan Falls, impounding about 440,000 cubic feet of water.

Dividends Declared

Company	Rate	Date	Record
Tuckett Tob., com.	1%	July 15	June 30
Do., pref.	1¾%	July 15	June 30
Bell Telephone	2%	July 15	June 23
H. Smith Pa. pr.	2%	July 11	June 30
Muskoka Lakes Nav.	6%	Aug. 1	July 1
Shawinigan W. & Pr.	50c	July 11	June 24
Cons. Smelters	5%+$5*	July 15	June 30
Ott. Mont. Pr., pf.	1¾%	July 15	June 30
Mutual Finance, pref.	4%	July 15	June 20
Dom. Text. pref.	1¾%	July 15	June 30
Inter. Paper, pref.	1¾%	July 15	July 1
South. Can. Pr., pref.	1½%	July 15	June 25
Do., pref.	1½%	July 15	July 1
Power Corp., pref.	1½%	July 15	June 30
Can. Nor. Pr., pref.	1¾%	July 15	June 30
Nor. Ont. L. & P.	3%	July 25	June 30
Quebec Power	1¾%	July 11	June 24
Mining Corp.	12½c	July 15	June 28
Eastern Theatres, pfd.	3½%	July 30	June 30
Monarch Mort, com.	5c	July 15	June 30
Do., pref.	4%	July 15	June 30
Loew's London, pfd.	3½%	July 15	June 30
Do., com.	25c.+5c.	*July 15	June 30
Dome Mines	25c.	July 20	June 30
Inter. Utilities "A"	87½c.	July 15	July 2
Brompton	50c.	July 15	June 30
Can. Cement, com.	1½%	July 16	June 30
West. Grocers, pfd.	1¾%	July 15	June 30
Imperial Bank	3%	Aug. 1	July 15
Russell Motor, pref.	1¾%	Aug. 1	July 1
Marcus Loew's pfd.	3½%	July 15	June 30
Nipissing Mines	1½%	July 20	June 30
Brant. Cord., pfd.	2%	July 15	June 20
West. Assur. com.	5%	July 15	July 8
Penmans, com.	$1	Aug. 15	Aug. 5
Do., pref.	1½%	Aug. 15	Aug. 5
Winnipeg Elec. com.	$1	Aug. 1	July 10
McColl Bros. com.	20c.	Sept. 1	Aug. 15
Do., pref.	1¾%	Sept. 1	Aug. 15
Inter. Paper com.	60c.	Aug. 15	Aug 1
Standard Bank	3%	Aug. 1	July 16
Steel Co. of Can. com.	1¾%	Aug. 1	July 7
Do., pref.	1¾%	Aug. 1	July 7
Can. Indus. Alcohol	32c.	July 15	June 30
Montreal Tram.	$2.50	July 15	July 7
Dom. Textile pref.	1¾%	July 15	June 30
Asbestos pref.	1¾%	July 15	June 30
Montreal L H & P	50c.	July 30	June 30
Hollinger	2%	July 15	June 29
Span. River com.	1¾%	July 15	June 30
Do., pref.	1¾%	July 15	June 30
Maple Leaf Mill. pref.	1¾%	July 18	July 3

* Bonus.

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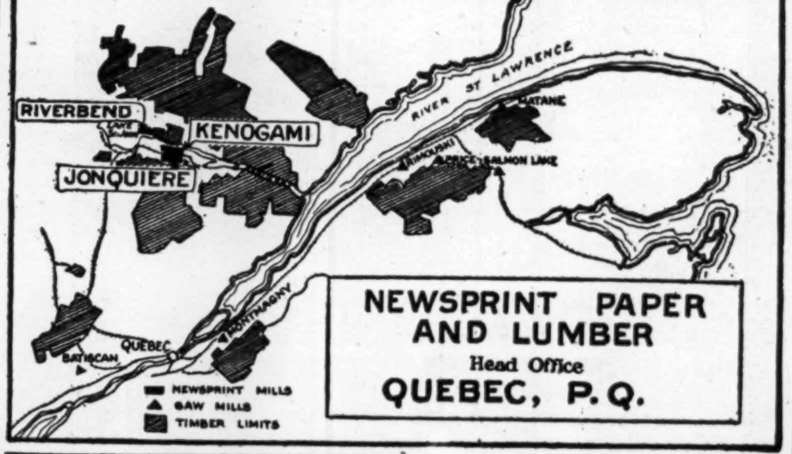

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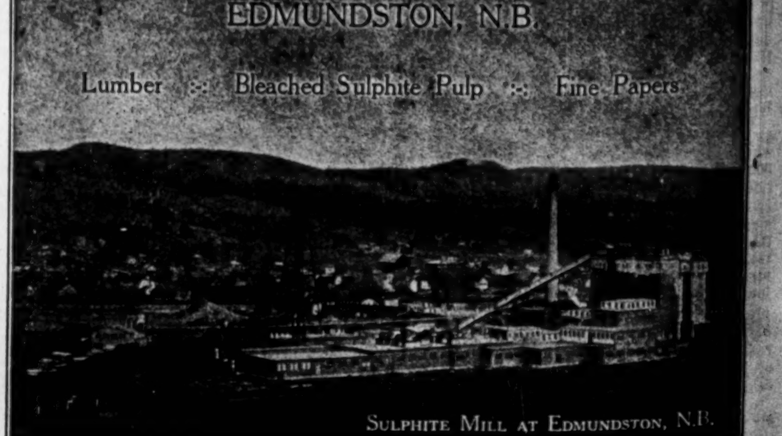
P.R.WILSON.24

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.



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Making Your Will

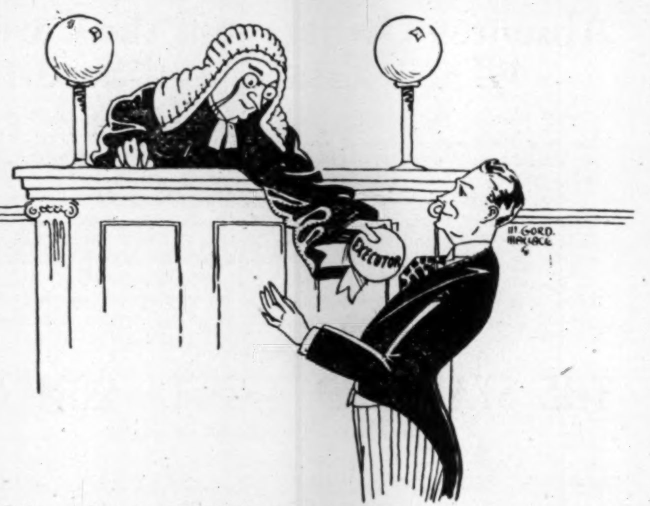
A Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

Tenth Article: STEPS IN ADMINISTRATION OF ESTATE.

By RALPH C. GEDDES.

The executor named by the testator is responsible for attending to all the affairs of the deceased from the date of his death. Just what will comprise all the duties of the executor depends upon what the will contains by way of directions and upon the nature of the estate. Therefore a great deal of work and responsibility may devolve upon him between the time that the assets of the estate come into his hands and the time that they are distributed.

The first duty of the executor is to make an accurate inventory of all the assets owned at the date of death, including all debts owing as nearly as they can be ascertained. The assets have to be located and a fair market value placed upon them. Thus it is always a great assistance to the executor if the testator has left a clear and complete record of all his property either in a set of books or in some easily accessible statement. This inventory is necessary for disclosing the size of the estate for the purposes of probate, and it is also required for completing the schedules required under the Succession Duty Act. In addition the executor will need such a statement for his own information to get a grasp as readily as possible of the affairs of the testator.



When the letters probate are granted, the executor receives the symbol of his authority to act as a personal representative of the deceased.

Release From Succession Duties

The papers leading to the grant of letters probate are then prepared and filed with the surrogate court of the domicile of the deceased; but the court will not grant probate until the succession duty office of the province of the domicile notifies either that the estate is not liable in that province or that the duties have been paid or a bond given for their payment. If there is any dispute regarding the amount of duty payable, the executor must marshal all the facts to support his contention. If duty is payable in some other jurisdiction, the executor must make arrangements to pay the same, since no assets registered in such jurisdiction, can be dealt with until all duties payable on them have been discharged.

When the letters probate are granted, the executor receives the symbol of his authority to act as a personal representative of the deceased, and acts he has done previous to that time are confirmed. If he is unwilling or unable to act, he should renounce before he applies for the grant, and preferably before he does any act as executor, for once the probate is issued to him it is quite a difficult matter to get relieved of his duties. Conversely, it is just as difficult to cause an executor to be relieved of his office against his will. The court takes the attitude, and rightly so, that the testator has chosen this executor, and, unless very good reason is shown, this expression of his intention shall not be contravened.

Advertise for Creditors

The next step is to advertise for creditors in order to make sure that there shall be no debts outstanding before legacies are paid and the estate distributed. The executor must scrutinize all accounts that are presented and make arrangements to pay only those that are legally enforceable against the estate.

From the date of the death the executor will be in receipt of all revenue from the estate as the result of having the management of the assets. From this source, or out of the assets of the estate, he must obtain sufficient cash to pay the living expenses of the family and to meet all claims against the estate. An inventory easily available will enable the executor to see what assets should be disposed of as quickly as possible to prevent loss, and what ones might be sold as required without a sacrifice of their value.

Taking Next Steps

When all cash demands against the estate have been met, the will dictates the next step in the administration. If it directs immediate distribution, the executor must pay the cash legacies and divide the balance of the property amongst the beneficiaries entitled to it. If all the beneficiaries are adults and agree to an equable division, the property can be distributed without being converted into money, but if they cannot agree the whole of the estate will need to be converted and the division made in cash.

The final step then is to prepare a statement of all the assets, both of capital and revenue, coming into the executor's hands and showing the disposition made of the same. This statement of accounts is audited before the surrogate court judge, and, if found correct, is passed by him, a fee being allowed to the executor for his services and a discharge from all further liability being given to him at this time. On this audit any act of the executor can be questioned by the judge or any beneficiary interested, and the executor must explain and justify such actions. Thus there is an excellent check against recklessness or extravagance on the part of the executor throughout the whole administration. For any such expenditure, not allowed by the judge as a permissible expense, must be borne by the executor either as a deduction from his remuneration or as a personal liability against him. If all the beneficiaries are adults they can agree to accept the statement of accounts as prepared by the executor and the audit before the judge need not be taken.

May Become Trustee

If the will directs a delayed distribution, i.e., if trusts are created, the duties of the executor become merged in those of a trustee. In such a case a longer period is imposed on the executor during which he must undertake the care and management of the trust assets, either in the form in which they have come into his hands, or in the investment and reinvestment of the cash that results from the sale of the original assets. In addition, the trustee must pay out the income regularly to those entitled, and, if a power to encroach on capital is given (and all trusts should be so constituted) the trustee is required to pay sums out of the capital upon the proper occasions, which it is his duty to determine. To exercise this discretionary power in the best interests of all concerned requires impartiality, disinterestedness and stability of judgment on the part of the trustee, and greatly increases the responsibility of his position.

From time to time, while the trust is in operation, the trustee of his own volition can pass his accounts or can be required to do so by anyone interested in the estate. Thus there is always a check on the handling of the funds, since at any time they can be brought under scrutiny of the court. It is important to remember this, for it provides a simple and efficient machinery by means of which beneficiaries can protect themselves against either fraud or carelessness on the part of the trustee.

From the foregoing brief outline of the principal duties of an executor, it will be seen that the position is one which requires for its proper fulfilment a high standard of honesty and business ability. The choice of one's executor should not, therefore, be a hit-or-miss matter, but the result of a careful weighing of the qualifications either of individuals or trust companies.

Western Investments

Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.

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418 HOWE STREET
Vancouver, Canada

WRITE STANDARD CHEMICAL STOCK DOWN UNDER PLAN

Capital Readjustment Provides for Non-Par Stock

Shareholders of Standard Chemical Co. are receiving notices of a proposed capital readjustment which would wipe out the existing preferred and common stock of the company.

In return for each preferred share, under this plan the shareholders would receive one share of new no-par common stock. In place of every ten shares of common of $100 par value, the holder would receive one share of the new no-par common. The preferred shares of the company are twelve and half years in arrears of 7 per cent. cumulative dividend.

Some Shareholders Live Overseas

The preferred shareholders are called to meet at the head offices of the company, Toronto, August 11, at 10 a.m. The common shareholders will meet at 3 o'clock in the afternoon of the same day to pass on the proposal submitted by the directors. The long notice is given because a great number of the shareholders live in Great Britain.

The balance sheet of the company for the year ended March 31, 1927, showed a corporate deficit of $925,808, which was a slight reduction from the previous year. The par value of the outstanding preferred stock is $3,602,700, and of the common $1,250,000. With the elimination of these two items, the book value of the common stock outstanding, 37,277 shares will be $3,822,216 or somewhat in excess of $12 the share. It is adduced from the plan submitted that there will be merely 1,473 shares of stock not issued, in the treasury. There are that number of preferred shares of $100 par value at present in the treasury which will be converted with the others.

Scheme Likely to Win Approval

It is believed that the scheme will be approved, as the directors are reported to have won the support of large shareholders who are not directors.

Standard Chemical Co. is one of those concerns which expanded rapidly during the war and immediately after but which in the last five years have had to take heroic measures to get their production and capacity down to a normal peace footing. Several plants have been dismantled, and machinery and equipment either scrapped or moved to remaining plants.

The balance sheet of the company will take on a much more healthful appearance with the wiping out of the liability on account of preferred and common stock of the par value of $100 and the accumulation of arrears on the preferred. The company now is being operated, at a profit, it is understood, and a reasonable dividend on the common, it is said, reasonably can be expected within a short time.

L. SECORD PROFITS $4 SHARE ON COMMON

This is Advance Estimate Heard in Street—Equals 13% on Market Price

Laura Secord Candy Shops total sales and earnings for 1927 are considerably in excess of the corresponding period of 1926, and current earnings so far as known this year are at the rate of $4 a share on the common stock. This represents over 13 per cent. on to-day's price of around 30.

The capital consists of 75,000 preferred shares and 35,000 common of no par value. The preferred is selling around 108. It is 7 per cent. cumulative, redeemable at 110 on sixty days' notice. Its value lies in its conversion privileges which gives the owner the option of exchanging each share for three common shares. At 108 it returns 6.48 per cent. on the investment with the added speculative value of the exchange privilege.

Edward Cronyn & Co. says it is clear that the business is showing very satisfactory earnings and it looks as though a purchase of preferred or common might, with a little patience, show a handsome profit.

The company was established in 1913 by Mr. Frank P. O'Connor, who had certain definite ideas as to what would attract the public in the way of candy shops. It was originally known as Laura Secord Confections, and from a small beginning has grown so that now sixty stores are operated in Ontario and Quebec, the big majority being located in Toronto and Montreal. The stores are uniform in design, all white enamelled, and kept clean and up-to-date in every way.

Although competition springs up from time to time the company appears to have no difficulty in retaining its customers.

It manufactures all its own candy in its factories at Toronto and Montreal, and each day distributes to its retail stores. The business done is on strictly cash basis, and therefore there are no bad debts.

Granite Club Earnings

For the five and one-half months ended April 30th last, Granite Club, Limited, showed a net profit, after all charges, of $27,288.23. The club is in a very prosperous condition.

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Announcing the purchase by the

PERFECTION GLASS COMPANY
LIMITED

of the assets and business of

THE TORONTO PLATE GLASS IMPORTING CO.
LIMITED

One of the oldest and most successful glass companies in Canada

An Honorable Business Tradition of 46 Years

The Toronto Plate Glass Importing Co., Limited, was founded 46 years ago by Mr. Edwin Hill and Mr. S. J. Rutherford. Mr. Hill had been in the glass trade in England. Of late years the business has been under the guidance of Messrs. Edwin A. Hill and Rutherford. Started in a small way, and continued with the best business traditions, the company has grown and prospered. Control has never been outside the Hill and Rutherford families.

The plant of the Toronto Plate Glass Importing Company, Limited, at 91 Don Roadway, Toronto, is excellently adapted to the plans of Perfection Glass Company, being 512 feet by 120 feet in size.

In this connection those who have been at the head of the Toronto Plate Glass Importing Company ask their friends and customers to retain business relationships with the new owners in whom they have every confidence.

THIS transaction marks the definite entry of Perfection Glass Company, Limited, of Montreal, into the Ontario business field. Hitherto most of the company's activity has been centered in the Province of Quebec, though a branch factory was opened up in Windsor, Ont., early this year.

The acquisition of the Toronto Plate Glass Importing Co., Limited, puts Perfection Glass Company, Limited, in a position to supply every possible glass requirement.

Perfection Glass Company, Limited, are manufacturers of NON-SHATTERABLE and BULLET PROOF glass. NON-SHATTERABLE glass is in increasing demand for automobiles, railways, steamships, show cases, greenhouses, skylights, and every other purpose where glass is subjected to a sudden or unusually severe shock or strain. NON-SHATTERABLE glass can be made in all shades and colors, and even worked into intricate designs for windows of churches or other buildings. BULLET PROOF glass is used for armoured cars, in tellers' cages of banks and other financial houses, and in aeroplanes.

With its additional facilities afforded by the acquisition of the Toronto Plate Glass Importing Company's plant at 90 Don Roadway, Toronto, Perfection Glass Company, Limited, will render a distinct service to the Canadian building and automobile trades in particular, and to business in general.

President.

PERFECTION GLASS COMPANY
LIMITED

MONTREAL TORONTO WINDSOR

Public Utilities

INTERNATIONAL POWER PROFITS SATISFACTORY

In Ten-Month Period Only, Earned Over 7% on First Preferred

From Our Own Correspondent.

MONTREAL.—The first annual report of the International Power Company, although it covers but a ten month period, reveals after all charges earnings equal to over 7 per cent. on the first preferred shares. The showing is regarded as satisfactory. The holding company, during the fiscal period, was only in its formative stages and a full twelve months of operation would have resulted in a considerable increase in the earnings applicable to the first preferred. There is no public investment in interest in the second preferred stock.

The profit and loss figures for the fiscal period follows:

Dividends from Subs.	$312,958
Management Expenses	13,924
Organization Expenses	8,108
Profits	290,931
1st Preferred Dividends	233,333
To Profit and Loss	57,598
Earned on 1st Preferred	7.27%
Earned on 2nd Preferred	2.88%

Loans to Subsidiaries

The balance sheet shows that at the close of last December the company had a deficiency of working capital. This shortage has no doubt been adjusted by the financing undertaken during the first half of the current fiscal year. The reason for the lack of working capital is explained by the company's loans to its subsidiaries, which were carried on the books at over $2,000,000.

The balance sheet position at the close of the year, however, is but of little more than academic interest now. The acquisition of the Porto Rico Railways during the current year has changed the character of the balance sheet very materially in the interim.

In his report to shareholders, I. W. Killam, president of the company, states in part as follows:

"In March of this year your company acquired over 90 per cent. of the outstanding common stock of the Porto Rico Railways Company, which controls the electric light and power business in San Juan, the capital, and some thirty other municipalities in Porto Rico, together with the tramways system in San Juan and the steam railway between that city and Caguas.

"In order to provide for the acquisition of the Porto Rico Railways Company, and for capital requirements of the controlled companies, an issue of $3,000,000, 6½ per cent., thirty-year gold debentures was made in March last, and a further $1,000,000, 7 per cent. cumulative redeemable first preferred stock and 10,000 shares of no par value common stock have been issued.

The Combined Earnings

"The combined earnings of controlled companies including the Porto Rico Railways Company, for the twelve months ended 31st December, 1926, showed a substantial increase over those of the preceding year, and amounted to $3,667,193 gross and $1,531,214 net, before providing for interest and depreciation.

"The population served by these properties is approximately 800,000. The electric light and power business is constantly increasing, and the outlook for continued improvement in the business and earnings of the controlled companies is satisfactory."

The Latest Figures

The latest figures on the earnings of the International Power Company consist of a consolidated earnings statement of the subsidiary companies for the first quarter of 1927. These figures reveal a substantial betterment. Gross earnings have increased by over 10 per cent. and operating expenses have decreased by about 3 per cent., with the result that the net earnings of the subsidiaries for the quarter are up approximately 30 per cent. as compared with 1926. The figures follow:

	1927	1926	Increase
Gr. earnings	$1,002,022	$ 909,000	$ 93,022
Oper. expense	528,017	544,014	*15,997
Net earnings	474,005	364,986	109,019

* Decrease.

Winnipeg Electric Has Increased Gas Sales

From Our Own Correspondent.

MONTREAL.—The July shareholders bulletin of the Winnipeg Electric Company deals with the growth and present position of the company's gas services. The bulletin says that the present gas plant embraces all the latest improvements in gas manufacturing and is of the Koppers coke oven type, which produces, among other by-products, a coke for which the public demand far exceeds the supply. This plant is at the present time producing an average of 1,500,00 cu. ft. daily, with a maximum daily demand of over 1,900,000 cu. ft.

It is in the fuel requirements of Winnipeg industries that the gas utility is finding its widest field of service.

The advent of cheap power in Winnipeg resulted in limiting the use of gas in the domestic field. Winnipeg Electric however, has concentrated on the sale of gas for industrial purposes and in this way has more than made up for the poorer domestic demand. There is an increasing demand for gas for industrial purposes; the result of this increase is seen in the fact that for the first four months of 1926, the total gas sales of the company were 158,309,000 cu. ft., while for the first four months of 1927 the total gas sales were 177,023,000 cu. ft.—an increase of 18,714,000 cu. ft.

Public Utility Earnings

Northern Mexico Power and Development

May—	1926	1927	Increase	p.c.
Gross	$105,740	$131,870	$ 26,129	24.71
Net	84,051	112,006	27,955	33.26
Five Months—				
Gross	508,869	641,980	133,111	26.15
Net	408,025	540,619	132,694	32.49

Jamaica Pacific Service

May	1927	1926
Gross Earnings	$ 55,691	$ 53,514
Net Earnings	23,316	20,198
Surp. after Charges	17,158	13,926
12 mths. ending May 31	1927	1926
Gross Earnings	$672,261	$638,777
Net Earnings	274,309	240,906
Surp. after Charges	200,257	164,655

TWIN CITY NET CONTINUES GAINS AS YEAR GOES ON

For First Five Months Showed Increase of Ten Per Cent.

Net Earnings of Twin City Rapid Transit Company, available for common stock have shown an increase of over ten per cent. in the first five months of the current year. This leads to the hope that at the end of the fiscal year the directors may decide to declare a bonus of one per cent. on the common shares in order to bring the total disbursements for the year to five per cent. which is the rate at which dividends were being paid before the recent cut to four per cent. annually. At the present time only one per cent. is being paid each quarter.

Earnings of Twin City available for common stock have been as follows in the past three years:

Net Earnings Available for Common Stock

	1927	1926	1925
January	$167,386	$134,535	$139,533
February	131,339	121,385	126,271
March	129,816	139,938	99,184
April	104,422	89,886	54,675
May	70,667	60,441	49,823
	$603,630	$546,185	$469,486

Increase for May 16¼%
Increase for 5 Months 10½%

DULUTH SUPERIOR EARNINGS DISPLAY LARGE INCREASES

First Five Months See Jump of Over $43,000 in Net

Duluth Superior Traction Company is continuing its gains. The month of May saw gross earnings rise $7.000 above the figure for May of 1926 while operating expenses actually showed a decline. As a result net earnings were approximately $9,000 higher.

For the first five months of the present year gross earnings have shown an increase of $51.952 and net earnings an increase of $45,670. An indication of a healthy trend is the fact that net earnings are showing a much higher proportionate increase than the gross earnings, indicating considerable saving in expenses.

Improvement in the net earnings of Duluth Superior Traction naturally draws attention to the common shares of the company. These are now on a dividend basis of two per cent. quarterly yearly. A larger rate could no doubt be paid and if earnings continue to hold at the present level will likely be paid. But the directors are somewhat conservative and would want to be able to maintain any rate established. The shares are now selling around 30 and trading is not very active.

	Gross Earnings			Operating Expenses			Net Earnings		
	1927	1926	Incr.	1927	1926	Incr.	1927	1926	Incr.
January	185,024	167,270	17,754	138,654	135,196	3,457	46,369	32,073	14,296
February	174,179	161,111	13,067	133,112	129,028	4,083	41,066	32,082	8,984
March	176,320	171,857	4,463	137,149	138,331	1,182x	39,170	33,525	5,645
April	159,240	149,711	9,529	125,706	123,926	1,780	33,534	25,785	7,748
May	156,668	149,530	7,138	126,153	128,011	1,857x	30,514	21,518	8,995

xDecrease.

Tree-planting Car Popular

A splendid attendance is reported at the various points in the southern part of Alberta recently visited by the tree-planting car, traveling under the direction of the Canadian Forestry Association. School children are keenly interested in the educational programme provided, as are also numbers of farmers who are improving and beautifying their homes by the planting of shelter belts.

Harvard Business Reports

These reports are issued in volume form. Vol. 1 consists of 149 select cases collected by the Harvard School of Business Administration through its Bureau of Business Research, and with the co-operation of its faculty in Harvard University. The cases recorded represent the business experience of different companies and organizations, the object being to provide a solution of business problems based on actual experience.

Vol, 2 recently published continues the series with editorial comments, together with the information furnished by the various firms and organizations. It also contains comments on cases in Vol. 1.

This is probably one of the most important publications issued in connection with commercial and industrial enterprises and will make instant appeal to Canadian business men. The volumes are uniformly bound in cloth.

Vol. 1 contains 561 pages including index. Vol. 2, 576 pages, including index. Price, each, $8.25, delivery charges paid.

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McAINSH & CO. LIMITED
60 FRONT STREET WEST
TORONTO

CANADA STANDS TO BENEFIT FROM GENEVA PARLEY

(Continued from page 1)

tion where trade is not restricted by unnecessary barriers we will increase the purchasing power of the world generally and thus widen markets for Canadian merchandise, particularly our manufactured goods.

"This does not mean that the conference asks those nations with protective tariffs to level them. It was strongly felt though, that tariffs for bargaining purposes, high tariffs aimed at particular countries, high consular fees, and constantly changing tariffs are unfair and unwise and are constant hindrances to the development of world prosperity.

Urge Tariff Stability

"The British delegation in particular strongly urged that nations should attempt tariff stability; that tariffs should be changed only at lengthy intervals and not be subject to constant modification.

"Germany, Belgium and other European countries have already put themselves officially on record as subscribing to the principles set down by the economic conference and I think that much good will result. We are not likely to see a general lowering of tariff barriers immediately but we may assume that the tendency to increase tariffs unduly has reached its end in Europe and that there will be a gradual reduction in the tariff levels of some countries. Export and import restrictions and other hindrances to trade, other than tariffs, are likely to be eliminated largely. All this should mean a steady expansion in Canadian sales to Europe.

"Canadian flour trade particularly stands to benefit. The flour trade is the hottest centre of discrimination and economic battle in Central Europe. Canada has suffered materially from restrictions. Hungary, for instance, has adopted a policy of permitting wheat to enter but allowing no flour whatever to come in. As a result, an enormous milling trade has been built up and there are flour mills in Hungary that are exceeded in size only by those of Minneapolis. The conference aimed to find ways of eliminating all restrictions as tight as Hungary's restrictions on flour import.

World Purchasing Power Down

"The world must work along the lines set down by the conference if it is to raise the general level of prosperity. The production of the world is up 15 per cent. from the pre-war level. Buying power has actually declined. This clearly shows the need for freer trading. Canada fortunately is largely clear of barriers and has really no place where it can act to put into force the conference's resolutions."

Mr. Matthews made some study of immigration possibilities in Europe.

Want to Come to Canada

"The peoples of Europe—particularly of Italy and even of Germany—look upon Canada as the land with the greatest future. They are very anxious that their surplus population should be directed toward Canada. They do not look upon this as a temporary movement. They are ready to lose their nationals entirely and to allow them to become citizens of Canada or whatever new country they go to. Their idea is to find homes for their surplus population. There are, it is said, 10,000,000 people unemployed in Europe to-day.

"This shows what the problem of stimulating emigration means to overcrowded European countries.

"Canada does not have to offer tariff concessions to win tariff concessions in Europe. In our immigration policies we have the strongest bargaining weapon we could desire."

Mr. Matthews stated that the British delegation to the conference was of inestimable value to the Canadian delegation. "The rumors that there was discord between us are entirely unfounded," he emphasized. "I want also to pay a tribute to Lt.-Col. J. B. Maclean, president of The Financial Post, who was of the greatest value to the Canadian delegation and who was constantly on the job at Geneva gathering information and giving advice when it was sought."

Wabasso Cotton Earns More in Fiscal Year

From Our Own Correspondent.

MONTREAL.—Earnings of the Wabasso Cotton Company for the fiscal year ending June 30, 1927, will show a marked increase over the preceding year. The betterment in profits has come both from the company's cotton and silk textile production; the production of silk fabrics over the past year or two has proved to be a successful development.

The success which has been achieved is indicated in the Wabasso's bonus declarations during the year just concluded. Three 50 cent bonuses were declared. These added to the annual dividend rate of $4 per share made a disbursement of $5.50 per share for the year. Thus it is expected that the company will shortly place itself on a $1.50 quarterly, or $6 annually, dividend basis—a rate which has been maintained over the past nine months.

The period just closed has seen a change in the capital structure of the company, as earlier this year the company issued to its shareholders 17,500 new shares of no-par capital stock at $60 per share, thereby increasing the amount of stock outstanding from 35,000 shares to 52,500. In 1920 the existing shares of 17,000, $100 par value, were split two for one, so that the present rate of $6 (with bonus) represents a return of 12 per cent. in the way of dividends on the original stock. As compared with the number of shares outstanding in 1920 the present volume is exactly three times. The amount earned for the fiscal year 1925-26 was $5.10 per share, but it is anticipated that more than $6 per share will be shown as earned on the increased amount outstanding of 52,600 shares, when the figures for the fiscal year 1926-27 are made available.

While the amount of stock has been increased during the year, the earning power of the company has also been developed through the capital provided, in extensions to the company's bleachery and general productive capacity.

International Paper

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Absentee Owners and the Care of Their Estates and Securities

IF leaving on Summer vacation, or to be gone on business for a protracted period, this Company will act in your absence as though you were present, without prejudice, but rather with advantage, to your Estate.

For a nominal charge this Company will act as Trustee, Attorney or Agent, during an owner's absence, looking after his affairs, collecting his revenues, whether they be rentals, dividends or interest, remitting same promptly, investing his principal, paying for insurance, taxes or repairs, avoiding delays in crediting receipts, allowing interest on money left with us for a stated time, and generally safeguarding the owner and client.

Consultation Invited.

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Capital fully paid $1,000,000. Reserve $300,000.
Branches: SASKATOON, EDMONTON, LETHBRIDGE, VANCOUVER

New Issue

$350,000

The Parisian Laundry Company
of Toronto, Limited

6½% First (Closed) Mortgage Twenty-year Sinking Fund Gold Bonds

Dated July 1st, 1927. Due July 1st, 1947.

Interest payable semi-annually January 1st and July 1st. Principal and interest payable in gold at Toronto and Montreal, at the holder's option; redeemable as a whole or in part on thirty days' notice on any interest date at 105 and interest up to July 1st, 1932; 104 and interest from that date to July 1st, 1937; 103 and interest from that date to July 1st, 1942; and 102 and interest thereafter. Coupon Bonds, in denominations of $1,000, $500 and $100 with privilege of registration as to principal.

Trustee: The Toronto General Trusts Corporation.

CAPITALIZATION

	Authorized	Issued
First (Closed) Mortgage 6½% Sinking Fund Gold Bonds	$350,000	$350,000
5% Preferred Stock	150,000	125,000
Common Stock ($100 par value)	100,000	75,500

From a letter addressed to us by Mr. David Morton, Secretary-Treasurer and Managing Director of The Parisian Laundry Company of Toronto, Limited, we summarise as follows:—

HISTORY AND BUSINESS—The Parisian Laundry Company of Toronto, Limited, was acquired by the present management and incorporated under the laws of Ontario in 1903. Previous to that time the business had been in successful operation for 30 years and since incorporation the Company has shown steady and consistent growth, until to-day it is the largest laundry in Canada.

The Company is the only one in Canada carrying on a wholesale business in a large way. This branch of the business is done under contracts with the Canadian National Railways, Canada Steamship Lines, Ltd., the Pullman Company, and many other companies, including practically all the large hotels, restaurants and clubs in the City of Toronto.

The plant has been taxed to its capacity for some years and because of this the Company has had to reject a great deal of profitable business. The plan of expansion which the Company is now adopting will increase its capacity very materially.

SECURITY—This issue will be secured by a specific first (closed) mortgage covering land, buildings and equipment, as well as by a floating charge on all other assets of the Company now owned or hereafter acquired, as set out in the Trust Deed dated as of 15th of June, 1927, in favour of the Toronto General Trusts Corporation, Toronto, Trustee. The Company covenants to pay no dividends on its common stock if the net current assets amount to less than $25,000.

ASSETS—The balance sheet of the Company, as at December 31st, 1926, as certified to by Messrs. Thorne, Mulholland, Howson & McPherson, after giving effect to this financing, shows net tangible assets of $785,093.13, or equal to over $2,240 for each $1,000 bond of this issue.

EARNINGS—The average annual net earnings available for depreciation, income taxes and interest on these bonds, for the 3 years ended December 31st, 1926, as certified to by Messrs. Thorne, Mulholland, Howson & McPherson, were $45,004.90, or equal to about twice total annual bond interest requirements. Earnings for the year ended December 31st, 1926, amounted to $48,741.73, or equal to 2.14 times such bond interest requirements.

The above figures do not take into account earnings from the new plant to be constructed or from economies expected from capital expenditures now being made.

PURPOSE OF ISSUE—The proceeds of this issue will be used to reimburse the Company for expenditures to be made in the acquisition of additional property, in the construction of a new plant, and for additional working capital. All of the proceeds are being invested in the Company's business.

MANAGEMENT—The personnel which has so successfully conducted the affairs of the Company since 1903 and which is responsible for its present prosperous condition will continue in active management.

SINKING FUND—Under the terms of the Trust Deed securing these bonds, the Company agrees to establish an annual sinking fund, commencing July 1st, 1928, which will be sufficient to retire the whole of this issue by maturity.

These bonds are offered for sale and delivery if, as and when issued and received by us, and subject to the approval of all legal proceedings by Messrs. Long & Daly for the Underwriters, and Messrs. McLaughlin, Johnston, Moorhead & MacAulay for the Company.

PRICE: 100 and accrued interest, to yield 6.50%

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BANK OF TORONTO BUILDING
TORONTO 2
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The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Asbestos Corporation Outlook Now Thoroughly Satisfactory

Company Has Encountered Competition, But Earnings Are Increased — Common Shares Appear to be Fair Long-hold Speculation

From Our Own Correspondent.

MONTREAL.—The Asbestos Corporation has been in operation about a year and a half, but its common shares are selling at about the same price as when the merger of the asbestos-producing companies in the province of Quebec was consummated.

Holders of the common stock are wondering just what progress has been made in the past seventeen months and what are the future possibilities and potentialities of the corporation.

While the action of the common stock gives little indication of any betterment in the company's position, yet the appreciation in the 7 per cent, non-cumulative, preferred stock indicates that the situation affecting the company has improved over the past year or so.

During its 1926 fiscal year, the company was in operation for 11 months, and was able to show over $1 per share on the common stock. It is felt that this showing is a conservative figure and that the company's allowances for maintenance, depreciation and depletion of minerals during the year were more than liberal. It is thought that but for the conservative accounting methods the earnings on the common stock would have amounted to nearer $2 per share than to $1.

Earned in Six Months

The profits are regarded as being the more satisfactory for in the first six months of 1926, it is understood that earnings were not of a particularly satisfactory character, and that the profits of the year were largely derived from the operations during the last five or six months of the fiscal period.

During the early months of 1926, the market for raw asbestos was quiet because buyers, realizing that a merger of the producing companies was underway, had stocked-up with raw asbestos. Coupled with this, too, there were many adjustments and expenses which the merger company had to meet in its initial stages which could not be regarded as annual charges and which further served to reduce earnings up till say, June or July of last year.

The result of all this has been that earnings of the corporation during the first six months of 1927 were decidedly larger than the corresponding period of a year ago. Thus, it is anticipated that for the full 1927 fiscal year the earnings applicable to the common shares will *show a* decided betterment as compared *with* 1926. But this is not to say that the common shareholders can anticipate an immediate betterment in the position of the corporation and in its earning power, but shareholders would be unwise to entertain extravagant hopes regarding the future. The management apparently anticipates a slow but steady betterment over a term of years.

Long Hold Speculation

To apply the situation to the stock market prices of the common shares, it would be safe to say that the common stock of the corporation looks like a fair, long-hold proposition—not a four or five months hold, but a satisfactory business man's speculation for say a two, three or four year hold.

Indeed, the shares look to be a much better speculation for a four year, than a four month hold, because the management of the corporation is conservative and will undoubtedly plough back large sums into the property over the next few years.

The shares of the Asbestos Corporation have not attained the same popularity as those of the predecessor company. Perhaps one of the reasons for this lies in the attitude of the management which has never fully explained to the shareholders the exact nature of the competition which the corporation has to meet.

The Province of Quebec produces 85 per cent. or more of the world's output of asbestos. The remaining 15 per cent. practically all comes from South African producers.

There have always been two classes of producers operating in the Quebec asbestos field. There are companies such as the Asbestos Corporation, which merely mine the mineral and sell the fibre, and there are three other companies which operate mines in Quebec as a source of raw material for their manufacturing plants.

The Results of Merger

The asbestos merger, as originally conceived, brought all, or what amounted to practically all, the asbestos producers into one group. The mining companies were consolidated and those companies, which manufactured as well as mined, agreed to limit their production and to turn over their surplus for sale through the new Asbestos Corporation, the idea being to obtain a fair price for the product.

No sooner was the merger consummated than one of the companies which manufactured the fibre as well as mined it, namely Keasbey and Mattison, declined to fulfil the terms of the contract. The Keasbey and Mattison interests claimed that the contract contravened certain U. S. laws, despite the fact that their mine is located in Quebec.

For months, the management of the Asbestos Corporation labored both ably and hard to bring the Keasbey and Mattison Corporation into line, but the efforts met with no success and finally legal action was taken in the Canadian courts to make the Keasbey and Mattison Company abide by their original contract. The case is still before the courts.

Has Been Competing

The Keasbey and Mattison Company own a very rich mine in Thetford, P.Q.—the Bell asbestos mine. It cannot be denied that during its 17 months of life the Asbestos Corporation has suffered from the competition of this producer, but despite this competition it has been able to make money.

This is not to say that the Asbestos Corporation and the Keasbey and Mattison Company could, if they get together, operate without competition. There is South Africa to take into consideration, and there is one mine in Quebec, the Johnston Mine, which is an independent producer. It is understood though that the Johnston interests will not cut prices and demand a sensible price for their output.

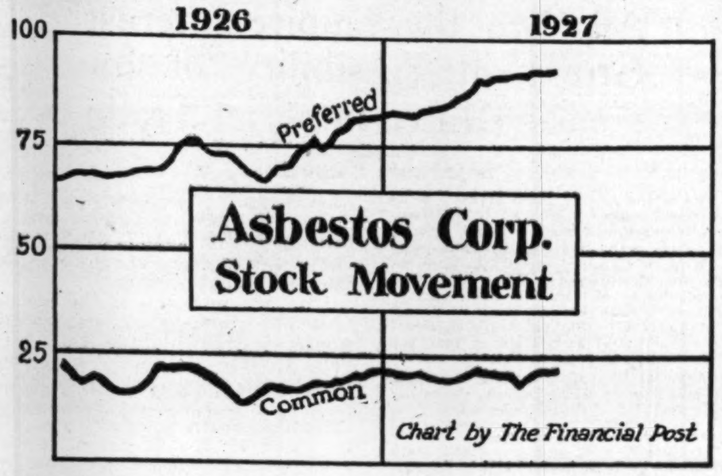

Chart by The Financial Post

Thus, the situation which surrounds the corporation to-day is that it is making more money and the outlook is for still increased profits — during the next few years. Its case with Keasbey and Mattison is still before the courts and a favorable decision would simply result in still further increasing the profits of the corporation.

The Physical Situation

The foregoing sums up briefly some of what may be termed the external factors affecting the Asbestos Corporation. But what of the more physical aspect of its activities?

Despite the non-co-operation of the Keasbey and Mattison organization, the merger of the asbestos companies a year and a half ago has resulted in some increase in price for the mineral. The production figures of the Asbestos Corporation are not published, but the following figures show that prices during the past year have increased satisfactorily, especially the price of the low grades of asbestos:

Exports of Asbestos
Year ending May

Year	Tons	Dollars
High Grade		
1926	137,368	$8,101,272
1927	141,091	8,774,154
Low Grade		
1926	132,894	$1,784,280
1927	128,874	1,971,510

Brought Better Prices

From these figures it will be seen that the exports of high grade fibre increased slightly as compared with a year ago, but the price obtained for these grades jumped more than proportionately.

It will be seen, also, that there has been some decline in the exports of asbestos sand and waste, but that a much larger figure has been paid for the smaller output.

It is said that further price increases in the mineral would merely result in increasing substantially the output of South Africa and one or two other minor asbestos-producing countries. As the demand for the fibre grows, and there seems to be every indication that it will grow, prices may perhaps advance a little; but, broadly speaking, the corporation stands to benefit more by the increased uses to which the mineral is being put rather than by possible price increases.

Some Physical Betterment

Since its inception, the corporation has doubled the output of its most efficient mill; it has closed some of the high cost mines and mills and has generally been working along lines which will reduce operating costs and leave higher net profits.

With the merging of the seven asbestos companies in 1926, the number of companies engaged in the Quebec asbestos field has been reduced to five. These operate 11 asbestos pits and 14 mills. Eight mills formerly operated are at present inactive.

There are two operators whose sole business consists of mining the fibre, namely, the Corporation and the Johnston mines. The Johnston interests have always been willing to co-operate with the Asbestos Corporation in producing better conditions in the industry and, with the exception of Keasby and Mattison, so also have the companies which manufacture, as well as mine, the fibre.

Quebec Production Figures

The following figures give the investor in the Asbestos Corporation some idea of the growth of the industry and from them he will be able to form some estimate of the possibilities of the industry's growth in the future:

Canadian Asbestos Production Figures
Rock mined and milled, and value per ton of rock.

Year	Fibre shipped (tons)	Total value shipments $	Average value per ton $	Rock mined (tons)
1911	102,224	3,026,306	29.60	1,583,076
1912	111,175	3,059,084	27.52	1,870,608
1913	136,609	3,830,504	28.04	2,527,410
1914	107,401	2,895,935	26.96	2,127,395
1915	113,115	3,544,362	31.33	2,134,073
1916	233,339	5,182,905	38.87	2,291,087
1917	137,242	7,198,558	52.45	2,634,410
1918	142,375	9,019,899	63.35	2,445,745
1919	135,862	10,932,289	80.47	3,061,690
1920	179,891	14,749,048	81.89	3,123,370
1921	87,475	5,199,789	59.44	2,224,138
1922	160,339	6,053,068	37.75	2,920,280
1923	216,804	7,364,260	33.97	3,747,576
1924	208,762	6,561,659	31.37	3,324,727
1925	273,322	8,976,645	32.82	4,121,258
1926	278,689	10,095,487	36.22	4,479,138

Consumption Increases

From these figures it will be seen that the 1926 production almost equalled that of the 1919 year, although it is a long way behind the figure reached in 1920. Still, the figures indicate that the demand for asbestos has been growing fairly steadily since 1921, following the big post-war slump which affected all industries.

With the exception of South Africa, foreign competition in the asbestos field is so small that it may be said that the Quebec industry is unaffected by their production. In 1925 Quebec produced 273,322 tons of unmanufactured asbestos as compared with just over 43,000 tons from South Africa. Russia produced 10,000 tons; Cyprus produced 8,000 tons and the production of other countries was insignificant. These production figures indicate that the Quebec companies occupy more than a predominant position in the industry.

While the Asbestos Corporation makes large annual allowances in its income account for depletion of minerals, it has ore reserves sufficient to last at least 100 years at the present rate of depletion. Moreover, it is understood that to all intents and purposes the corporation's ore reserves are sufficient to last indefinitely.

Control All Properties

While the asbestos-bearing rocks of the eastern townships of the province of Quebec are found in the United States and also further east in Canada, yet the present operators in the eastern townships control the mining rights on all the property on which it is possible to mine asbestos commercially. Thus, the present producing companies in the Quebec asbestos area do not fear further competition in the industry. While it is possible that further prospecting might uncover rock which is valuable commercially, such new discoveries are not regarded as anything more than a mere possibility.

While asbestos is a mineral, and while the corporation's activities are usually referred to as mining, yet quarrying would be a more accurate description of its operations. The corporation owns deep pits, having a width of anything up to 1,400 feet at the surface and going down into the rock for perhaps 400 or 500 feet. About 80 per cent. of the rock quarried is milled into merchantable fibre. The ore from the quarry goes straight to the mills and is there ground up and the fibre removed.

Outlook Is Satisfactory

To sum up the situation of the Asbestos Corporation then, it is fair to say that the company is making slow and what looks like steady progress. The betterment in its activities includes a betterment in its physical position and a betterment in its earning power. The outlook for the future is that this improvement will be continued, but on the other hand, shareholders who look for sky-rocketing of earnings will be disappointed. The whole trend of the industry seems to be towards an improved operating position. Should the corporation be successful in its suit against Keasbey and Mattison or should the two companies arrive at an agreement, it will tend to again better the position of the corporation—but in any event, the situation of the Asbestos Corporation appears to be satisfactory. Whatever the outcome of the litigation it most certainly will not have the effect of weakening the present position of the company.

COAST LUMBER MILLS EXPECT STABILITY IN LONG-AWAITED MERGER

(Continued from page 1)

handling of yellow pine from the southern states, for instance, and yellow pine is the chief competitor of fir in the important markets of the east.

The industry in the past has been unable to control seasonal sales and it has been largely at the mercy of retailers who buy stock only when it is needed for quick sale. It now appears that buying totals 80 per cent of the production of the first three months of the year, 125 per cent of the production in April to July, inclusive, and consumption and production practically balance for the rest of the year. This situation must be met by providing a reserve stock, from which lumber may be drawn during active demand, and serve as storage during the slacker months. This would obviate needs for spurts in production, always an expensive expedient, and give to the buyer the prompt service desired.

Help to Stabilize Prices

The lumber industry, in a broad sense, is disorganized and underfinanced, and what this means to a province like British Columbia may be shown from the fact that lumbering provides more than one-third of the province's industrial revenue. Roughly, $80,000,000 was the income of the lumber industry of British Columbia during the past twelve months. The merging of big producing units such as proposed under the consolidation plan would undoubtedly have a big effect on the condition of the industry in British Columbia, not only in respect to the sawmills actually joining the merger but to other mills as well. The general result, it is expected, will be a stabilization of prices and the placing of a much greater measure of control in the hands of the producers rather than the sellers.

Details of the Pacific Coast's big lumber merger are being worked out.

National City Company will handle the finances.

Owners of almost fifty mills have signified their intention of joining in the consolidation. An appraisal board has been at work for weeks going over these valuations and endeavoring to reach a basis that will be mutually satisfactory to the lumber companies represented and to the eastern financial interests.

The National City Company and its allied interests propose to finance bonds to the amount of between $50,000,000 and $75,000,000. The money advanced on these bonds will pay off all of the indebtedness of the mills which are now expected to participate in the merger. Arrangements will also be made to issue more than a quarter of a billion dollars of stock, which will be distributed to the mill owners in return for their properties, including their mills and standing timber. The bond money also will provide the merger with adequate working capital.

As the proposed stock issue indicates, the value of the properties involved is in excess of a quarter billion. Roughly speaking, this is divided three-fifths in standing timber and two-fifths in plants. Thirty per cent. of the lumber cut of Oregon, Washington and British Columbia is represented.

Complete stabilization of the lumber industry is expected when the combine will become a going organization.

INTERNATIONAL PAPER COMPANY
Cumulative 7% Preferred Stock

FIVE DISTINCT SOURCES OF INCOME

The newsprint field is but one branch of the paper industry in which the International Paper Company occupies a leading position.

SULPHITE PULP

The Kipawa plant, at Temiskaming, Quebec, supplies a large proportion of the total world's consumption of wood cellulose (bleached sulphite pulp) by manufacturers of rayon and is said to be one of the lowest cost sulphite pulp plants on the continent.

KRAFT PAPER

Foreseeing the possibilities in the rapid increase in the demand for Kraft paper (used principally for wrapping paper and paper bags) the Company acquired the Bastrop Pulp & Paper Company in 1925. Due to excellent profits made by this mill the Company recently doubled its capacity and early this year acquired the Louisiana Pulp & Paper Company. These two mills make the Company the leading producer of kraft paper and board in North America.

BOOK AND WRITING PAPERS

The Company's policy has been to convert its smaller newsprint and low grade paper mills into mills for producing high grade papers. The success of this policy has been demonstrated.

We consider the 7% Cumulative Preferred Stock of the International Paper Company a sound investment giving an exceptionally attractive interest return

Price to yield 7.20%

Circular on request

DRURY & CO
INVESTMENT BANKERS
CANADA LIFE BUILDING
187 St. James Street, Montreal

DETROIT-WINDSOR BRIDGE WILL SOON BE UNDER WAY

(Continued from page 1)

handled by the Canadian investment houses is not yet determined, but it will probably be a substantial amount. The company formed to carry out and manage this development will probably be known as the Detroit International Bridge Co. The charter of the old American Transit Co. has been taken over by the new interests and it is said that the holders of the senior securities of this concern will be taken care of in the new organization, the basis of exchange as yet being unknown.

The history of better transportation between Detroit and Windsor, leading up to the culmination of present plans, is a long and interesting one. For many years there has been periodical agitations on both sides of the river in favor of more rapid means of communication between the two cities. Companies have been formed from time to time in an endeavor to raise sufficient money in order to proceed with the construction of a bridge. Government assistance was usually asked but neither the Canadian or American government was willing to assist in the work and without official co-operation difficulty was experienced in raising the necessary capital. The attitude taken by both governments was that the building of a bridge between Windsor and Detroit was a purely local matter and that if such a bridge was to be constructed private interests would have to put up the necessary funds.

Back in 1920 and 1921, an effort was made by the American Transit Co., to put across the project. The company was capitalized with $30,000,000 of bonds and $10,000,000 of common stock. A small proportion of the bonds were sold, but the campaign was unsuccessful and it was found inadvisable to go ahead with the scheme. Russell T. Scott, notorious promoter, was one of the drawbacks of the plan at that time. These bonds, or a large proportion of them, are still outstanding and it is these securities that are to be given consideration in the new company.

Revenue of the Detroit International Bridge will be derived almost wholly from toll charges. As the use of the bridge will be limited to vehicles and pedestrians, fees will probably be small. When it is considered that there are 2,000,000 people living in or about Detroit and another 200,000 living in the Border Cities, some realization of the enormous traffic that will pass over this bridge from day to day may be realized. Several thousand Canadians living in Windsor, for example, work in Detroit and at present these people must use the ferry when going to and from work. When the bridge is completed a bus service will probably be operated so that one will be able to get to downtown Detroit in much less time than under the present system. Moreover, the change in prohibition laws in Ontario will prove a great stimulus to traffic into Canada.

Another very important consideration which should not be overlooked when estimating the possible revenue of the bridge from traffic tolls, is the movement of tourists from the United States to Canada and vice versa. Detroit-Windsor is a natural bottle-neck for a very heavy flow of tourist traffic between Central Canada and the mid-western states. At present traffic moves across the river by ferry and it is undoubtedly true that when the bridge is open for traffic, this movement will be greatly increased. Proponents of the project have only to point to the success of the Peace Bridge between Fort Erie and Buffalo to show how superior means of communication affect traffic.

The issue having been oversubscribed, this advertisement appears as a matter of record only

NEW ISSUE

$400,000

Asphalto-Concrete Corporation

Licensors for the United States of the Moir-Buchanan and Bille-Ligonnet Patents for the Manufacture of Concrete Pipe by Centrifugal Process

7% Cumulative Preferred Stock

Par value $100 per share

Capitalization

	Authorized	To be outstanding
7% Cumulative Redeemable Preferred Stock (this issue).........	$500,000	$400,000
Common Stock (no par value)................	10,000 Shares	9,000 Shares

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J. L. McSWEENEY,
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$100 per Share to return 7%

Carrying a bonus of one-fifth share of Common Stock with each Share of Preferred.

The Equitable Securities Corporation
Limited
J. L. McSweeney, President
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MAin 2614*

The information and statistics contained in this advertisement while not guaranteed have been obtained from sources we believe to be reliable and on which we acted in purchasing these securities.

THE FINANCIAL POST

Member Audit Bureau of Circulations

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Managing Editor—FLOYD S. CHALMERS.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

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Contract rates upon request.

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TORONTO, JULY 9, 1927

FOOLISH AND FUTILE

THE Ontario Liquor Board is making itself something of a laughing stock by its attempts to enforce the provision that there shall be no advertising of liquor in Ontario. Now it has notified the Carling Brewery, of London, that it must not appear in the donation of $25,000 to the promotion of a London-to-London aeroplane flight. Such a donation would be advertising.

Let us suppose that the Carling people were to give $1,000 to the Toronto Star's Fresh Air Fund and the name appeared in the list of contributors like this:

Carlings Brewery, London.....$1,000

Would that be advertising, and would Carlings be told that they must not do it again?

Is it advertising, for instance, when a distillery or brewery has its stock listed, and thus gets its name in the headlines every day? Should the Ontario Liquor Board not order Hiram Walker's to take their stock off the Toronto Exchange because the listing of it there gets the name "Hiram Walker" in print so much?

Is it advertising when a broker gets out a circular letter on a beverage stock and, in trying to induce people to invest in the company, sets down seriatim all the brand names of the company. What could prevent a distillery or brewery from quietly arranging with a brokerage house to broadcast such letters throughout the country, thus getting publicity for the names without using the ordinary channels of advertising?

There are so many ways of getting around the anti-advertising regulation that the board is going to have its hands full trying to enforce it.

The best move that it could make would be to drop the regulation right now and put all beverages on an even basis as regards the appeals they wish to make for patronage. They are decidedly not on an even basis now. European brands, extensively advertised in British and Continental papers circulating in Canada, have an advantage on home-manufactured beverages.

We are glad to notice that the Mail and Empire of Toronto has come out for a repeal of this unfair and unnecessary regulation against liquor advertising, a regulation that has been opposed by The Financial Post from the start. As the Mail and Empire is the organ of the government that put the liquor bill on the books, its voice may be heard in high circles.

BARRIERS TO TRADE

AT THE International Chamber of Commerce meeting in Stockholm last week, a bill of lading was shown covering a car of coal shipped from Poland to Austria. The car was required to pass fourteen inspections, causing an average delay of three hours for each inspection and reducing the running time of the train to five miles per hour.

Such trade barriers are an obstacle to the return of prosperity in Europe, in the virtually unanimous opinion of delegates who attended the recent World Economic Conference at Geneva, and the delegates to the Chamber meeting in Stockholm. A multiplicity of high tariff walls, of customs regulations, and official red tape are preventing European peoples from buying and selling freely to each other and are keeping the standard of living well below the standard on this continent.

Canada will benefit from improved standards of living in Europe, increasing the purchasing power of nations there. If the levelling of tariff barriers leads to an economic zollverein on the Continent with barriers against the outside world, Canada would suffer, but it is reasonable to suppose that the net gain in purchasing power of European peoples from freer economic intercourse among themselves would offset the disadvantages of an all-European protection. But an economic United States of Europe is a very remote possibility.

SUNSHINE COPY

THE first National Bank of Boston has been displaying in its window a colorful card with the admonition, "Save for a sunny day!"

This right-about-face from the picture of weeping skies, mournful winds and a bleak landscape—the prospect so long held out as the incentive for thrift and frugality—has, in the opinion of J. Scofield Rowe, president of the Metropolitan Casualty Insurance Company, the simplicity which characterizes so many important and beneficient discoveries.

Breaking away from the venerable traditions which have long clustered around the save-for-a-rainy-day appeal must have required a certain amount of courage. But how much more compelling is the picture of sunny days! And after all, wouldn't we all rather save during a rainy day than for one?

Insurance advertising would benefit correspondingly by a sun bath. In another decade insurance men may look back with wonder to an era when morbid fear, rather than sensible foresight, was supposed to be the motivating force back of the purchase of insurance in its many forms. "Scare copy" may very possibly have served a useful purpose during a period where insurance advertising men chose to assume that the public needed to be thoroughly roused to the importance of insurance. But whether or not that need may once have existed, Mr. Lowe questions, whether it exists today.

"'Insure for a sunny day'" is a strong advertising and selling appeal. Credit is business sunshine and insurance is a basis for credit. Accident prevention means business sunshine. All forms of personal insurance produce mental sunshine by eliminating worry and by supplying funds for what might otherwise be gray days or rainy days.

Insurance can, as Mr. Rowe points out, have a larger place in the sun by putting more sunshine into its advertising copy.

A CODE FOR CANADA

IN MAKING the announcement that a Canadian electrical code has finally been evolved, the Canadian Engineering Standards Association makes a further statement that should give some encouragement to our self esteem. It is to the fact that when the code comes into full operation, approvals of electrical apparatus will be given by a Dominion government laboratory which will be part of the National Research Laboratories.

In the past, Canada has been to a very large extent dependent upon the examination and approval of the Underwriters' Laboratories in Chicago. It is hardly fair to British Canadian manufacturers to ask them to have their goods stamped by a foreign laboratory before they can be sold in Canada and yet this situation has, in large degree, existed in the past.

In this one respect alone the establishment of Canadian research laboratories will prove of considerable assistance in the standardization and advancement of Canadian products.

The chief value of the electrical code will be in the elimination of many confusing and overlapping regulations now in force in different parts of Canada governing the installation of electrical wiring and apparatus. The new code, which will cover generally rules and regulations for wiring and the installation of apparatus, will give to all Canadian provinces and municipalities a standard practice which they can and should make universal practice. Provincial authorities will, it is expected, adopt for their own use the necessary enabling legislation to give official endorsement of the code, which has been prepared by a committee of electrical engineers of the highest authority. The code is an attempt to get away from the multiplicity of regulations which now exist in provincial and municipal by-laws and to make the operation of one set of rules Dominion-wide.

The code is a triumph for both research and co-operation and deserves to be put into effect by governing bodies.

REACTION

FORBES MAGAZINE warns American business men that foreign nations will retaliate if Uncle Sam is not more reasonable in tariff policy.

"Canada is becoming intensely dissatisfied with her existing tariff and trade relations with us," says Forbes. "She resents the peremptory rejection of her overtures to open new tariff discussions. Criticism of our attitude has become bitter in the Dominion."

Forbes is right in assuming that many Canadians resent the United States attitude and consider the United States unduly unfriendly in tariff matters, putting up high tariff walls in certain directions where the injury to Canada is great and the benefit to the United States small. He is wrong in assuming that Canada will retaliate. There is too much low tariff sentiment in Canada for any substantial retaliation. Retaliation is not the best means of international bargaining, in any event.

Forbes quotes Herbert N. Casson's Efficiency Magazine, of London, England, as showing that the United States is practically dependent upon the British Empire for her raw materials. "We ought to make her pay more for them," says Casson's paper.

The significance of Forbes' editorial lies in its confirmation of the belief that there is a growing feeling in the United States toward some relaxation in the high tariff schedules that have been in vogue and towards a willingness to discuss tariff terms with Canada and other countries.

THE NEW PROPAGANDA

IRVING T. BUSH is a great New York business man. Samuel L. Rothafel is a movie and radio impresario better known to the millions of tube-tappers as "Roxy."

Bush probably thinks that "Roxy" is of far less economic importance to the world than a man who conducts the world's largest terminal organization just outside of New York, and who owns one of London's largest office buildings.

"Roxy" no doubt thinks that there is more real happiness for the world in his quaver notes than in Mr. Bush's bank notes.

It is a fair guess that they would not understand each other. Yet they are brothers under the skin. In one respect they have a bond of union. Both Bush and Rothafel have press agents to write reams of rather sickening copy about them to be fed to the newspapers of the world.

If Irving T. Bush and Samuel L. Rothafel were to cut The Financial Post off the mailing list of their respective "counsellors of public relations" the world would go on just the same.

NOT COLONIAL

CONFEDERATION editorial of the Evening Telegram, Toronto, let the world know that the Union Jack, or one of the British ensigns "marked or unmarked by the maple leaf" is the flag of Canada. We imagine that the phrase quoted was written into the editorial after the editor of the Telegram, who for years has argued that the Union Jack is the only Canadian flag, had looked out of his office window and noticed that the caretaker of the Telegram building had hung the Canadian ensign over the front door.

The same editorial advises Telegram readers to be proud of the name "colonial," a noble word in the British language. The Telegram's editor has not got further than 1841 in his school history,—if he has ever read Canadian history at all.

A Canadian is no less a good citizen of the British Commonwealth of Nations because he resents being called a colonial.

VANCOUVER'S BIRTHDAY

WHILE Canada has been celebrating its sixtieth birthday, another important anniversary has been observed in a quiet way in a most important part of Canada. It was in July, 1827, that the Hudson's Bay Company established Fort Langley as a trading post on the Fraser River, and thus laid the foundations of British Columbia and made the city of Vancouver possible. There had been earlier establishments, including one at Fort St. James and one at Kamloops, but Fort Langley is given credit for having definitely established the country as British and as establishing permanent civilization on the coast.

Not until 1886 was a city incorporated at Vancouver, the discovery of gold and the construction of the C.P.R. having been twin forces to develop a healthy community on the site of the traders' activities. Vancouver has had several remarkable periods of growth, none more expansive and important than that now being experienced. The original 2,000 in the city of 1886 have grown to 137,000 within the city limits, or 270,000 within the area that includes Greater Vancouver.

Greater Vancouver is beginning to shape itself as a single civic entity, for the ratepayers of the city have already voted favorably upon the question of annexing Point Grey and South Vancouver, two adjoining municipalities, and the fusion may finally be effected in the not far distant future.

GROWING TREES

IN GREAT BRITAIN, where forests can seldom be large enough to be more important than the average "bush" or "woods" in Canada and where forestry industries are not the mainstay of any large part of the population, attention is being given to reforestation efforts. Canada needs her forests and needs permanent forests, if she is to retain her commercial importance. Reforestation is many times more important in Canada than in the British Isles.

Britain has less forest land than any other continental country but is planting more trees per annum than any other country in Europe. Eventually the Forestry Commission hopes to plant trees on a large part of the 5,000,000 acres of waste land which are not now forested, but which could grow trees to good advantage. The present objective is 1,750,000 acres, of which 150,000 acres are to be planted by the end of 1929.

These figures are small in contrast with Canada's reserves of timberland. But our soft wood reserves will hardly last over 25 years without reforestation. A great deal is now being done along this line in Canada. But we can go further.

The London Times speaks truth when it says that neither in Great Britain, nor in the Empire, nor in any other part of the world are the present generation taking steps adequately to provide for the needs of posterity.

An Englishman Looks on Canada

All Over the Empire Interest Grows in Possibility of Increasing Inter-Imperial Trade

By ANTHONY J. McMILLAN.

This is the last of three articles, written from London by Anthony J. McMillan. Mr. McMillan was born in Great Britain, but in his early days was for some years in Western Canada. About thirty years ago, Mr. McMillan was for a time chief representative of the Manitoba government in Eastern Canada—with headquarters in Toronto—and did much to direct the movement of emigration of that day from Ontario to Western Canada.

Later, he was appointed agent-general for Manitoba in Great Britain. For many years past, Mr. McMillan, who makes London his headquarters, has been associated with British financial interests.

Mr. McMillan is well acquainted with conditions in Great Britain and in Canada.

Within recent years there has been a strong tendency in Great Britain to develop trade within the Empire. It is realized more than ever before that our fellow citizens throughout the Empire are the best customers the Mother Country has, while on the other hand Great Britain is the principal market for the products of the great self governing Dominions and other portions of the Empire. This is as it should be, for we are all members of one family, and the development of trade, the loaning or borrowing of money, and the movements of population are all part of one comprehensive scheme of development.

In traveling across Canada I met a few men who told me that Canada would eventually become a part of the United States; a country to which those who held this view seemed to be attracted by reason of its wealth, population and present prosperity.

Our Resources Are Varied

That the United States is a great country and a rich one, and that its natural resources have been developed on an enormous scale everyone will admit.

Canada also is a great country with natural resources generally believed to be richer and more varied than those of the United States, resources which owing to lack of population are as yet only partially developed.

But Canada is one of the sister nations within the British Empire; a partner, so to speak, in a concern which far exceeds the United States in the extent of its territory; the size of its population and the amount of its developed and undeveloped wealth.

This is a matter of the greatest importance, when we contemplate the future of the Dominion. The British Empire is the greatest political factor in the world, and it looks as though the day is fast approaching when it will be the greatest economic factor also.

Canada's Position in Empire

Outside the British Isles, Canada is the most important of the constituent parts of the British Empire, which occupies over one-quarter of the surface of the globe, and has a population exceeding one quarter of the estimated number of the human race. The greater portion of the Empire lies within the temperate zones and within its boundaries practically everything required by its inhabitants can be produced. Within this great combination the tendency is more and more for the constituent parts to trade with each other. Canada has not gone ahead in this direction as fast as some of the other Dominions, but this is attributed, in part, at any rate—to her proximity to the United States.

At the opening of the Wembley Exhibition in 1924, His Majesty, the King, said "Business relations between strangers may or may not lead to friendship; co-operation between brothers for the better development of the family estate can hardly fail to promote family affection."

Our Part in Empire Trade

As this spirit has been much in evidence in efforts to extend British industry during the last few years, it may be interesting to consider briefly certain facts connected with Empire trade, and their bearing upon Canadian trade and development.

In 1925 British exports amounted to over 4,800 million dollars. In analyzing these figures I propose to eliminate exports to the Irish Free State, which though now a Dominion, was until quite recently a part of the United Kingdom itself.

Within the Empire the five largest buyers of these British exports and the amount of their purchases were approximately as follows:

India	$435,000.000
Australia	320,000.000
South Africa	161,000,000
Canada	153,000,000
New Zealand	121,000,000

The three largest cutomers outside the Empire were the United States, whose purchases amounted to $416,000,000, Germany to $357,000,000 and France to $271,000,000.

There are, of course, many other important foreign customers. For instance, the purchases of China and Japan together exceed those of Canada, as also do those of Holland, while Belgium and the Argentine each buy from Great Britain almost as much as Canada. About 45 per cent of British exports go to countries within the Empire, and 55 per cent to foreign countries.

Keenly Interested in Empire Matters

There has never been a time when the people of Great Britain were so keenly interested in Empire matters as they are to-day and efforts are being made in many different ways to foster Empire trade.

One of the latest agencies to assist in this work is "The Empire Marketing Board," which came into existence in May, 1926, on the recommendation of the Imperial Economic Committee. It is an official body, whose duty it is to conduct the movement for trade in Empire produce, and for this purpose £1,000,000 sterling a year is placed at its disposal by the British government.

Lord Kylsant, one of the greatest of British shipping magnates, through whose instrumentality, the White Star Line was recently transferred from United States to British control, said recently that the Empire marketing board was doing fine work in "drawing the attention of those not previously interested, to the great possibilities of the development of the trade and commerce of the British Empire."

How Marketing Board Works

The board works in various ways and is devoting much attention to cold storage and transport questions. It issues advertisements on a large scale, drawing attention to the importance of buying Empire products, whether produced at home, or in the Dominion and Colonies. In this way special attention has been called to Canadian apples, also to South African fruits. This spring the shops in London have been selling large quantities of excellent South African fruit, including peaches, at about 8 to 15 cents each. The finest peaches I know are those grown in Canada, such as I have often seen rotting in orchards in the Niagara District and elsewhere, because so it is claimed, there is no market for them.

Surely it should be possible to send fresh fruit, such as plums, grapes and peaches from Canada to Great Britain, where at present they are practically unobtainable.

Sell Ontario Fruits in England

In this connection I was glad to be told the other day by W. C. Noxon, the agent-general for Ontario, that he is working on a scheme with the object of getting such fruits placed on the market in this country.

In addition to its other activities the marketing board also takes part in exhibition, and stimulates "Empire Shopping Weeks" which are becoming increasingly popular over here.

This month in Nottingham and in Belfast, householders are being urged to buy Empire products and I would like to suggest that Canada might reciprocate by also having "Empire shopping weeks." When I was in Victoria last October Lieutenant-Governor Randolph Bruce told me that he had inaugurated such a policy in that province and that it was meeting with success.

Australia is taking an active part in this Empire trade movement, its government telling the public in this country that British settlers are encouraged to go to Australia "so that the purity of the race and British standards of living may be maintained," and further emphasizing that as Australia is one of Great Britain's best customers it is to the advantage of British people to buy Australian goods as the money so spent largely comes back again from Australia to buy goods.

Much the same kind of thing is going on in New Zealand which does a trade with Great Britain, far larger per capita, than that of any other Dominion.

Colonies as Well as Dominions

The average Briton if spoken to about the British Empire is apt to think of Great Britain, Canada and Newfoundland, Australia, New Zealand, South Africa and India, and imagine that is all of the Empire that matters. The average Canadian probably thinks much in the same way. But it is quite a mistake to do so. Recently there sat in London, a miniature Imperial Conference at which there are representatives from 25 colonies, protectorates and mandated territories of the British Empire. This conference, which is the first of its kind, held its opening meeting at the Colonial office, and the Rt. Hon. Mr. Amery, the Dominion Secretary, presided.

It was called to consider questions relating to trade and commerce, and generally to decide how best to develop these different countries and bring them into closer touch with the "Mother Country" and with each other.

Still a Big Empire

I sometimes meet pessimists in England and in Canada who tell me that the time is near when Canada and Australia and India will drift asunder and no longer remain a part of the British Empire. I for one do not believe it. But even if they did, Great Britain and the 25 countries referred to would still be one of the greatest of world states, with enormous territories and a population of over 100,000,000, capable of producing nearly all the raw materials needed for their support. At present these "undeveloped estates" are doing a trade amounting annually to about 2,500 million dollars, trade which is increasing and is capable of almost unlimited development.

British Capital and Canada

Nearly everywhere I went in Canada I was asked as to the prospects for the investment of British capital in the Dominion. "The Financial Post" has asked me the same question. Most of the government representatives I met—Dominion and provincial—who are responsible for the finances of the country, also the great captains of industry, assured me that they were anxious to renew financial relations with Great Britain. Since returning to London I have discussed the matter with some of the great financiers in this country and they are equally anxious to renew relations with Canada, but at the moment it does not seem possible to arrange gilt-edged loans in London under five per cent.

It is, of course, known that Canada has been raising money at home and elsewhere at somewhat lower rates than this, but it is hoped that the day is not far distant when business between Canada and Great Britain in gilt-edged securities may be re-established.

As to the investment of capital in commercial concerns and in more speculative enterprises that is a different matter. There is a tendency for business of this character—to some extent at any rate—to follow trade and emigration, and that is why I have written so much on these two subjects. If Canadians wish to obtain British capital in large volume there are two things they should do.

First, secure a much larger number of British settlers for Canada.

Second, do a larger trade with Great Britain. Only about 17 per cent. of Canada's imports are from Great Britain and of her exports about 38 per cent. are taken by that country. Both the imports and exports could with advantage be increased and as I have pointed out we are doing what we can over here to induce the public to buy more Canadian goods.

Capital Investment to Grow

With a largely increased movement of population from Great Britain to Canada and with increased trade between the two countries there will be more frequent intercourse, which will undoubtedly result in the investment of capital on a large scale.

The growing tendency for the different parts of the Empire to draw closer together means much for its constituent parts. Scientific invention is largely eliminating time and space. The Prime Minister of England can now sit down in London and have a wireless talk with the Prime Minister of Canada more easily than the latter can communicate with the premiers of Manitoba or British Columbia.

It is announced that this month—traveling by air—it will be possible to leave London in the morning and arrive in India on the following day. In many ways Canada is now in closer touch with Great Britain and with other parts of the Empire in which she is a partner, than Ottawa was with Winnipeg when I first knew Canada.

Through the press and in other ways I have constantly urged British business men to visit Canada and see for themselves what can be accomplished there.

Let Canadians in increasing numbers visit this country and they will find much to interest them in a business way. Moreover, they will be warmly welcomed and can do much to strengthen and consolidate the social, the business and the political ties binding together not merely Canada and Great Britain, but every part of this mighty Empire.

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Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Canadian Bronze

Would you consider preferred or common shares in Canadian Bronze Company a good investment?

The outlook for Canadian Bronze Company is good, although the issue of stock is new and only time can put behind it a record on the market. We believe the company will continue to do well.

Investment Bond and Share

What is your opinion of Investment Bond and Share Corporation 5% gold debentures?

The 5% debentures of the Investment Bond and Share Corporation should be a satisfactory investment and the common share warrants attached make an attractive speculative feature.

Canadian Light

I should be glad to have an opinion on the shares of the Canadian Light and Power Company at a price of about $40 per share.

The shares of the Canadian Light and Power Company, at present prices are an attractive speculation for a business man.

Canadian Light is controlled by the Shawinigan Water and Power Company. The able management of the holding company ensures proper management for the subsidiary. At 40, the price of the Canadian Light and Power common seems a little high to us. We do not look for any marked appreciation in this stock for some time to come. Ultimately, though, perhaps in two, three or four years' time, a dividend on the stock will be declared which would raise the price level.

International Power

I would appreciate having your opinion of the shares of the International Power Company.

The International Power Company is a holding company controlling a group of power and public utility enterprises located in Newfoundland and Central and Southern America. Each of the countries, in which the company's subsidiaries operate, produce different basic commodities.

Thus, the company's investments are well diversified, and we believe that there are possibilities for expansion in each of the fields in which the subsidiary companies operate.

Thus, we believe that the common shares should tend to appreciate over a term of years. The earnings are increasing and the common shares may be regarded as a satisfactory speculation for a business man.

The preferred shares of the company, we believe, are a satisfactory business man's investment and return a good yield, especially considering the diversification of the company's investment.

German Bonds

We hold some post war German government bonds and also some German currency. Do you think these will ever be revalued?

The time limit for the exchange of German government bonds has been extended from June 30 until August 31. All bonds of the German government and most of the bonds of the German states by that date must be exchanged for new loan redemption bonds. Thus, we would advise you to forward your holdings of German bonds to the Banque Canadienne Nationale, Montreal. The bank will have the bonds exchanged into the new issue for you. Your bankers will be glad to arrange this for you.

Most of the old paper marks are valueless now but you may hold some issues which can be exchanged for new reichmarks.

The German goverment is not exchanging into the new loan liquidation issue the old compulsory loan bonds issued July 20, 1922.

Lindsay Distilleries

Can you give me any information about Lindsay Industrial Alcohol?

Lindsay Distilleries (the new name recently chosen), have as good an opportunity as any of the smaller distilleries to make good under the changed conditions in the Ontario liquor sales. The company has not previously manufactured potable spirits, but it now has a full distillery license. Its brands, no doubt, will be stocked by the Ontario Liquor Commission when the company begins to manufacture them. At the present time, the company is importing Scotch whiskey but will have its own bottling plant going in the fall and will be selling its own products.

Under the very ridiculous anti-advertising regulation of the Ontario Liquor Commission, the company will not have any opportunity of making its brand names known to the public. This will put it at a distinct disadvantage in competition with the European distillers but it expects to do a good export trade through Scottish connections.

Debenture Securities

Would you please give us information as regards the Debenture Securities Corporation of Canada:

1.—What is the value of their 5% preferred stock.

2.—What is the value of their 4% bonds, and on what security is their bond issue made?

There is no active market for either the preferred stock of the bonds of Debenture Securities Corporation of Canada.

Recently, we understand, some preferred stock changed hands at around 65, but this is regarded by bankers who have traded in the issue as being a very good price.

A nominal market for the bonds would be about 70 to 80.

The security behind either bonds or stock is, we understand, much better than these prices would suggest. The company is, however, small and not very well known among investors generally and for that reason there is no active demand for either class of security. The bonds of the corporation are secured by large investments in foreign securities and by the assets taken over from the Canadian Mortgage Investment Corporation at the time of the recent merger. Roughly the bonds are secured by eight or nine times their face value in various bonds or stock.

Massey-Harris

In case of a market reaction would you consider Massey Harris at 30 (say) an attractive purchase?

The common stock of the Massey-Harris Company is a speculative issue. The price of $30 a share is equivalent to $120 a share on the old stock prior to the split last March. This appears to be a rather high price for a stock on which no dividend is being paid, even though current earnings are reported to be considerably in excess of the earnings of last year, which were $9.57 per share.

It has been the custom in the stock market in the last year or two largely to discount the future of a good many industrial companies. This is what is happening in the case of Massey-Harris Company. The company is expanding rapidly in a number of foreign fields and thus is achieving a diversity of market which offsets in some degree the disadvantages of the farm implement business when the manufacturer is largely confining his operations to one country where a crop failure frequently reacts to the disadvantage of the manufacturer.

Massey-Harris common at current prices is an attractive, long hold stock. We are wondering if some of those who purchased around 40 are not going to have to hold for a much longer period than they anticipated if they are going to reap a profit.

International Paper

May I be favored please with your opinion of the 7 per cent. preferred shares of the International Paper Co.? My investments are well diversified, including a foundation of government bonds. I am therefore inclined towards this issue.

You will probably have already read the complete review of the operations of the International Paper Company which appeared in the last issue of The Financial Post. This will have outlined for you the physical situation of the company.

The preferred shares are being sold at a price to yield investors over 7 per cent. Such a yield is satisfactory.

With your diversified investment holdings it seems to us that you might very well place a small proportion of your funds in the preferred shares of the International Paper Company. With the present slump in the New York market, though it seems to us that there is little chance of any immediate appreciation in the price of the stock.

The purchase of this stock will serve to increase the average yield from your holdings. We would advise you, if you have not already done so, to pick out several other stocks of this category and thus diversify your holdings of securities from which you are obtaining a high yield.

In purchasing newsprint securities at the present time, you must remember that you are buying during a dull time in the industry. Perhaps this is a wise policy, for you are anticipating what appears to be a revival in the industry during the next two, three or four years.

The preferred of International Paper looks like a purchase for a business man. Before purchasing the stock make sure that you regard it as such, and invest in the stock only to such an amount as you can afford to have in an issue of this kind. The future of the company undoubtedly looks promising at the present time.

Laura Secord

A customer has been enquiring as to the advisability of investing in the preferred stock of the Laura Secord Company, but we are unable to find any data as to capitalization, dividends paid. We would appreciate it if you would give us particulars as to capitalization, rate of interest paid on preferred stock; earnings and prospects. Our client understands that there is some arrangement for exchanging preferred stock for common at a later date.

Preferred stock of the Laura Secord Candy Shops, Limited, was first offered the public in 1926.

The average annual earnings for the last three years have been approximately three times the dividend requirements of 7% on $750,000. The shares are convertible into common shares on the basis of three for one at any time. The preferred stock is subject to redemption, but after the calling of the stock the shareholder has 60 days in which to convert if he does not wish to accept the redemption price, which is $110 and accrued interest.

A Woman's Investments

Following is a list of my holdings:

Statement of Investments

2000 Castle T. 1000 at 1.58 1000 at 129	2870
700 Towagmac 5.13	3635
	6505
Less cash pd. on acct.	1341
Balance	$5167
10 shares Illinois Central	1000
24 shares Bell Telephone	3528
40 shares Barnsdall Corp. bot at 33.00	1080
30 shares C.P.R. bought $145.00	5250
8 shares Can. Woollens Bonds	480
50 Midland L. & Savings	800
10 shares Montreal Power	335
5 shares Int. Nickel	500
Mortgage 7 per cent.	
City of Ft. William 6% due 1950	500
City of Edmonton, 7%, 1991	1000
City of Calgary, 7% 1928	2000
Howard Smith 7% 1941	800
Dom. Can. War Loan 5% 1943	100
Ditto Ditto 5% 1937	300

As I am entirely dependent upon the yield from any investments, I was considering a readjustment of my holdings. Would you advise taking a loss of approximately $500 on the mining stocks on which I receive no dividend, and release the money invested in Woollens, Pfd., Barnsdall, and the Calgary bonds maturing next year for investment in Montreal Power, International Nickel and Brazilian?

Our mining editor is of the opinion that you are more likely to recover your losses in mining stocks by selling Castle-Trethewey and Towagmac. The silver situation has not been satisfactory for some time, but possibly it is improving. Towagmac also is a good prospect. But the improvement in both these mines is likely to be slow.

On the other hand, if you invested your money in such mines as Hollinger or McIntyre, we believe that you would recover your capital eventually. In the meantime, in the case of Hollinger, you would be getting a return of close to 7 per cent. Hollinger, in our opinion, is one of the first mining investments in the world.

Hollinger appears to us to be exceptionally cheap at this time. It is showing little inclination to increase in market value, but eventually, the stock is certain to be selling at a much higher figure, in our opinion.

Your other investments appear to us to be of good character and although they would not ordinarily be considered of sufficient conservatism for a woman dependent upon income from investments, you have nevertheless, achieved such a degree of diversification with a foundation of good bonds, that probably you need anticipated no trouble.

At the moment, the most unsatisfactory venture you have made appears to be stock in the Barnsdall Corporation. This cost you $33 per share and is now selling around $37.

The reason for the lowered value at the moment is the situation in the oil market. Eventually, however, oil must sell at a profitable price and we think that this company will do a satisfactory business. The Barnsdall Corp., as you probably know, is a company which is a holder of the stocks of many oil and mining properties.

We are puzzled as to what you mean when you refer to eight Canadian Woollen bonds. Canadian Woollens, Ltd., has no bonds outstanding and the preferred stock of this company still is extremely speculative. But it is only a small part of your total holdings and some betterment may be looked for with the improvement in Canadian conditions generally.

Probably you would make money if you bought Brazilian Traction. But we would suggest that you buy the preferred in units of six shares. This preferred is convertible into common on the basis of six preferred for five common at the option of the holder. In the meantime, the yield would be approximately as good as the yield on the common, and the safety is considerably greater.

Montreal Power is a good grade of investment, but the yield at the present price is extremely low. You would do better to buy Bell Telephone and consumers Gas. You would be getting a better return and still have reasonable expectations of appreciation of principal through issuances of new stock or otherwise. International Nickel is a business man's investment. The return at the moment is not sufficient for you and you should be well advised not to take on any more. The same may be said of Massey-Harris, which has had a great rise and on which no dividend is being paid as yet.

While on this question of yield, we would point out that the return from an investment in McIntyre is not high at the moment.

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A WEEKLY FEATURE

A bank manager writes to this department the following letter of inquiry:

I should appreciate your opinion as to how a married woman should invest $5,000 with a view to safety of principal and an income of between 5% and 6%, if possible.

This money represents all she has of her own private means.

The letter sent in reply suggested a number of securities and read:

We suggest the following stocks, which will give a yield of about 5% if only five shares of each are bought. At the current market prices of these securities, the cost will be approximately $5,010, exclusive of commission and tax.

	Approximate Price	Approximate Yield
Bell Telephone	150	5.3%
Consumers' Gas	178	5.8
C.P.R.	178	5.6
Brazilian preferred	138	4.5
Steel of Canada preferred	140	5.1
Port Hope Sanitary preferred	108	6.5
Laura Secord preferred	110	6.4

You will observe that we have departed somewhat from the usual practice in suggesting an investment for a woman. In this case, we note that the investor is a married woman who is presumably being supported by her husband and who, therefore can take slightly more risk than would be permissible or reasonable in the case of a widow who was dependent solely on income from investments for maintenance.

At the same time, we believe that the seven stocks on this list are conservative and yet will give the holder if she adheres to the principal of diversification a reasonable opportunity of participating in appreciation in the market value of the stocks. In the instance of the Consumers' Gas, we would point out that the stock is virtually as good as a bond, because this utility has no bonded debt and no preferred stock. The dividend, it is true, is limited to 10%, but this limitation is in the nature of a guarantee so long as the company is reasonably well managed.

Brazilian preferred is another high grade investment which is attractive because it is convertible into common should the investor find such a course desirable at any time in the future. The earnings on Brazilian preferred were in 1926 nearly nineteen times the dividend requirements and not since 1921 have the dividend requirements fallen below ten times. In 1921, almost the worst year in the company's history, the dividend requirements of the preferred stock of this company, were earned more than five times.

Of similar character is the preferred stock of the Steel Company of Canada. It probably will rise in price at any time this company, which is one of the leading industrials of Canada, adds to the dividend on the common. The preferred, as you probably know, participates with the common in future dividend disbursements, so long as the common stock is getting 7%.

Port Hope Sanitary Mfg. Co. is one of the smaller industrial companies which is doing exceptionally well and it can be anticipated that the preferred stock will remain attractive.

The Laura Secord preferred at this time probably can be considered as somewhat more speculative and possibly the investor, if she is of a conservative turn of mind, would prefer to purchase bonds to the amount, say, of $1,000. If this is the case, we would suggest the elimination of Port Hope Sanitary preferred from the list also. The 6% bonds of the Brompton Pulp and Paper Company would give a yield which would be satisfactory to your client.

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B.C. Municipalities Draw Big Sums From Province

Municipalities of British Columbia will receive $400,000 from the Provincial Government as the proceeds of motor license taxation throughout the province. Allocation of this money to the various municipal councils on the basis of census population figures is being made now. The present distribution is the largest ever made out of motor licenses and reflects the growing use of automobiles in British Columbia.

Last year only $392,000 was allocated to the municipalities, or $8,000 less than the amount available now. Every year the figure will show a proportionate gain, it is expected, as the motoring population grows.

Distribution of liquor profits to municipalities for the six months' period ending March 31, will not be made until late in July or early in August, as school population figures, on which the allocation will be based, are not available yet.

The total profits for the half-yearly period are understood to be larger than for the previous six months, although the Liquor Board's books have not been finally closed yet. For this reason the municipalities' share should be correspondingly larger.

Cooper School Buildings Privately Offer Securities

An offering of 500, 6½ per cent. cumulative preferred shares of $100 each and an equal number of 6 per cent. fifteen year bonds of the same denomination of the Cooper School Buildings, Ltd., are being privately offered to the public.

This company has been formed in Winnipeg for the purpose of conducting a commercial school. The president and other officers of the company are local citizens, and it is proposed to include in the new company the Dominion Business College, The Cooper Institute of Accountancy and David Cooper and Co., Chartered Accountants.

Proceeds of the issue will be used to reimburse the company for property acquired from the city, and for the erection of a suitable building to house the different enterprises. In addition the building will comprise twenty apartment suites of latest design and appointments, which will be rented.

Canadian General Investment Trust Pays Interim Dividend

An interim dividend of 3 per cent. for the semi-annual period ending June 30, 1927, was paid on July 1 to shareholders of the Canadian General Investment Trust. This is the first dividend payment made by the trust since its incorporation late last winter. The full year's dividend will be declared at the end of the year after the operating profits for the full year have been ascertained.

The board of directors has recently been enlarged, by the addition of Victor Ross, vice-president of Imperial Oil; T. A. Russell, president of Willys-Overland, and the Rt. Hon. Lord Shaughnessy, director of the Canadian Pacific Railway, making sixteen in all. Frank P. Jones, president of Canada Cement Company, was added some time ago.

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Charles Gurd & Co. Limited

$500,000 7% Cumulative Preferred Stock
(Par Value $100)

22,250 Shares Common Stock
(No Par Value)

An opportunity of investing in the securities of this long-established Canadian firm is now given to the public for the first time in the history of the Company.

Founded in 1868, Charles Gurd & Co. Limited has advanced steadily to a commanding position among the leading manufacturers of carbonated beverages in the Dominion of Canada. It has now reached a stage where it is ready for further substantial expansion.

Average earnings for the past four years, after making adjustments for non-recurring salaries and expenses and calculating income tax at the present rate, were $137,895.77, which, after deducting interest on $300,000 mortgage at 5%, equals 24½% on the Preferred Stock and $3.94 on the No Par Value Common Stock. Earnings on the same basis, for the year 1926, were $162,187.40, which equals 29.4% on the Preferred Stock and $5.04 per share on the No Par Value Common Stock.

Price: $107 per unit of | 1 share Preferred Stock ½ share Common Stock
Plus Accrued Dividend on Preferred.
or
$28 per share of Common Stock

Application will be made in due course for listing these shares on the Montreal Stock Exchange.

J. M. Robinson & Sons—Johnston & Ward
Bruneau & Rainville
H. B. Robinson & Co., Ltd.

News of Investment Markets

AMERICAN HOUSES WANT BOND SALES METHODS CHANGED

Canadian Bankers State the Existing System is Satisfactory

Much importance is attached in Canada to the recent action of certain New York syndicates in "unpegging" issues which they had been unable to distribute satisfactorily on account of the glut of securities on the market. This action was immediately followed by recessions in inflated prices and whether it will have the desired effect of allowing the market to adjust itself and absorb the surplus securities is yet to be seen. From the standpoint of the investor, the action of the underwriters has met with disapproval and current conditions in the bond market have come in for sharp criticism.

It is common practice among investment bankers to peg the price of bonds they sponsor, if not readily absorbed, awaiting a more favorable opportunity of selling and at the same time retaining the goodwill of those customers who purchased at the issuing price. Occasionally this method has worked out satisfactorily, but it is known that a number of large issues recently placed on the United States market have failed dismally to "go across" and that the sponsoring syndicates have been forced to hold very substantial amounts.

In a rising or steady market this condition would in time adjust itself, but so many issues have been pegged in the last few months that the issue houses have had to borrow extensively from the banks. Unpegging resulted when they found it necessary to liquidate, resulting in a loss to themselves and also to their clients.

May Follow American Lead

While this situation is not so pronounced in Canadian investment circles, the floating of new issues in both countries is so closely related that any change in the modus operandi of one affects the other. Thus bankers on this side of the line are watching with interest steps now being taken by the Investment Bankers Association of America at the suggestion of its members to clear up the matter. One of the principal problems confronting New York bond houses is that existing methods are, in comparison with the corresponding situation in such foreign markets as London, very expensive.

One of the causes bringing about the costliness of existing methods, is the system of distribution. Bond selling in Canada and the States to-day is an elaborate affair. While the initial costs of underwriting an issue vary, depending upon the risk, a large percentage of the spread between the buying and selling price is eaten up by commissions, etc. Yet under the present system, there does not appear to be any way to minimize these costs. The suggestion is made by some of the large New York houses, that the English system, in a modified form, be adopted. Initiative is lacking, however, and the matter has been put up to the Association to work out some scheme acceptable to all.

In the event of such a proposed measure being adopted across the line, it is possible that similar practices will be put in force in Canada. Whether or not Canadian investment houses will take kindly to this move or would disregard it entirely and continue along present lines, is a matter of opinion. Toronto bond men say that while the English system has many merits, it also has certain features which would not be workable. Issue houses on the other side, for example take up the securities of a company and insure themselves by paying certain groups or individuals a sum of money, usually 1 per cent. to 3 per cent. of the amount underwritten, in return for which the underwriters will agree to buy all securities unsold by a certain date and up to the amount for which they have underwritten. Thus, the issue house is relieved of all responsibility in maintaining a market for the securities once they have been distributed. Cost of placing the issue, moreover, is very low.

Canadian Houses Satisfied

In the last six years, Canadian investment houses have built up a strong connection with the investor by purchasing the whole or substantial portions of new issues and disposing of them through their own sales force. By this manner, they know in what hands the securities are held, and there is little chance of them coming back on the market until some time after the issue has been completely sold. It is necessary to maintain a market for the securities and while this involves trouble and expense, yet it is essential in order to hold their clients. One dealer in commenting upon the situation said "while it is more expensive to handle our issues in this manner, yet we have found that by building up and retaining a satisfied clientele, disposing of our securities is effected with little trouble. The American bond situation is, of course, unsatisfactory at present, but the same cannot be said of the Canadian market. We have found an excellent demand for our own products and careful examination of the lists of other houses convinces us that the amount of good bonds in the hands of dealers is remarkably small. While this situation lasts, I do not see any reason for changing the existing system."

New High Mark for Bond Index

The index number of Canadian bond prices for the month of May last, standing at 110.8, is the highest ever attained since the record was started in January, 1924. The index is based on the price of sixteen representative bonds, 1913 prices equalling 100.

Since March, 1924, there has been a steady advance in the index with scarcely a reception of any importance. In December last, the 110 mark was passed. For the first five months of this year, the index has not dropped below 110.2.

Jantzen Knitting Preferred Shares Offered Publicly

An offer of $250,000, 7 per cent. cumulative preferred stock of Jantzen Knitting Mills, of Canada, Ltd., is being made by Miller, Court and Co., and B. C. Bond Corporation, at a price of 100 plus accrued interest, with a bonus of ten shares of no par value common stock with each share preferred.

The company is located in Vancouver, being successor to the Universal Knitting Co., Ltd., and the Jantzen Knitting Mills in Canada, Ltd. The products of the company consist of sweaters, sweater-coats and Jantzen swimming suits, the latter being known all over the continent through an extensive and effective advertising campaign. Business has been expanding at a rapid rate, sales of Jantzen swimming suits alone since 1925 having increased 300 per cent., last year's production covering orders for 2,656 dozen.

As a result the company has found it necessary to increase its plant accommodation in order to care for new business. The purpose of the present issue is to provide capital for the construction of a modern daylight factory, purchase a factory site, purchase of necessary equipment required for increasing production and to provide additional working capital.

Details of the issue follow:

250,000
Jantzen Knitting Mills of Canada, Ltd.
7 per cent. cumulative preferred stock

Company—Successor to Universal Knitting Company, and Jantzen Knitting Mills of Canada, Ltd. Have been granted exclusive rights in Canada for the manufacture of bathing suits and other woollen garments of Jantzen Knitting Mills, Inc., of United States.

Capital—
(Upon completion of present financing)
Preferred Stock $250,000
Common Stock (no par) 250,000

Purpose of Issue—Provide for increased facilities in order to cope with extra business and to give company more working capital.

Security—Direct charge against company's property and business. It is not preceded by any other security nor will company issue any unless ratified in writing by two-thirds of the nominal value of the issued preference shares or unless confirmed by resolution passed at a general meeting by two-thirds majority present.

Earnings—Estimated for 1927 at twice the amount required for bond interest.

Bonus—Ten shares of common with every share of preferred.

Management—There will be no change.

Offered—Miller, Court and Co., and B. C. Bond Corporation, both of Vancouver, at 100 and accrued interest with bonus of common stock.

International Securities' Debentures Are Sold

From Our Own Correspondent.

MONTREAL.—Harris, Forbes & Company are offering a $15,000,000 debenture issue of the International Securities Corporation of America. The particulars of the issue follow:

$15,000,000 International Securities Corporation of America
5 per cent. debentures

Dated June 1, 1927; due June 1, 1947.

The Company—Is the largest general investment trust in the United States. The corporation is confined to the investment of its resources in seasoned, marketable securities, both domestic and foreign. Its assets now include over 500 different securities in over 30 different countries.

Assets—Cash and investments exceed over $40,000,000 and equal well over twice the total funded debt which consists of the present issue and not more than $1,882,900 in bonds.

Earnings—For the twelve months ending May 31, 1927, the earnings of the predecessor company which has been entirely acquired by the International Securities Corporation amounted to over 3.8 times the annual interest charges. The earning power will be increased through the investment of the proceeds of the debenture issue.

Indenture—The corporation agrees not to issue further bonds, and further debentures may only be issued up to 50 per cent. of the corporation's current resources.

Offered—July, 1927, by Harris Forbes and Company at 95¼ to yield about 5.4 per cent.

Montreal Island Power Preferred Shares Sold

From Our Own Correspondent.

MONTREAL.—Nesbitt, Thomson and Company is offering privately a $1,000,000 issue of Montreal Island Power Company preferred stock. The company's bonds were recently sold to the public. The particulars of the issue follow:

$1,000,000 Montreal Island Power Company
6 per cent. cumulative preferred stock.

Preferred as to dividends and assets. Dividends accrue from January 1, 1928.

Capitalization—

5½ per cent. first mtge. bonds, 1957	$15,000,000	$8,000,000
6 per cent. preferred stock ($100 par) ..	1,000,000	1,000,000
Common stock, n.p.v.	75,000 shs.	75,000 shs.

Business—Will develop a water power 7 miles from the centre of Montreal. The site will produce 65,000 horsepower and 40,000 horsepower will be available for delivery by the end of 1929. The Montreal Light, Heat and Power, Consolidated, has contracted to purchase the output for a period of 30 years. Power will be taken in specified annual instalments until the entire capacity is absorbed.

Earnings—At the ultimate capacity of the plant under the power contract, it is estimated that net earnings will amount to over 7½ times the dividend requirements after payment of bond interest.

Management—The plant will be operated under the supervision of officials of Montreal, Light, Heat and Power Consolidated.

Offered—July, 1927, by Nesbitt Thomson & Company at 98 to yield 6.12 per cent. Every ten shares of preferred carries a bonus of four shares of no par value common stock.

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German Loans Exchangeable Up to August 31, 1927

Time limit set for the exchange of German government bonds has been extended. All mark loans of the German Reich (i.e. either direct issues of the German Reich, or such bonds of the following German states: Prussia, Bavaria, Saxony, Wuerttemberg, Baden, Hessen, Necklenburg-Schwerin, Oldenburg, as have been taken over by the Reich) which have not been delivered for exchange in the revaluation procedure provided for "old holdings" will have to be filed for revaluation.

The time limit for such applications which was originally set for June 30th, 1927, has been extended to August 31st, 1927.

All government mark loan bonds such as stated above will have to be exchanged before the expiration of this time limit through delivery at any one of the exchange agencies.

Bonds which have not been submitted during this time become void and represent no longer any claim against the German government.

It is furthermore again emphasized in a statement from the special commissioner for German government loans at New York that the "Compulsory Loan," issued July 20th, 1922, was supposed to replace certain taxations and has therefore been excluded from revaluation and cannot be accepted for exchange.

La Banque Canadienne Nationale, at Montreal, is the Canadian exchange office.

Richmond Building First Mortgage Bonds Oversold

An issue of $375,000, 7 per cent. first mortgage bonds of the Richmond Building, Ltd., offered by Worthington, Savage and Co., and W. R. McCoo and Co., announced this week, has been oversubscribed.

The company is newly formed for the purpose of erecting a high class, modern, fireproof office building of reinforced concrete, twelve storeys and basement in height in the city of Toronto. Contracts have already been let for the construction of the building and it will be ready for occupancy at the beginning of next February.

Particulars of the issue follow:

$375,000
Richmond Building, Limited
7% First Mortgage (Closed) 20-Year Bonds
Dated July 1, 1927 Due July 1, 1947

Building — Twelve story reinforced concrete building.

Capitalization—7 per cent. first mortgage bonds (this issue), $375,000 authorized, $375,000 to be issued. Common stock (no par value), 4,000 shares authorized, 4,000 shares to be issued.

Lease—City of Toronto has leased land for a period of 21 years, renewable, at an annual rental of $4,725 per annum with option to purchase at the end of one, two or three years. It is the intention of the company to exercise this option to purchase.

Valuation—Building and property is appraised at $633,000.

Security—Bonds will be secured by a first closed mortgage on the leasehold, buildings to be erected thereon, fixed equipment and a floating charge on all other assets and undertakings of the company.

Sinking Fund—Commencing July 1, 1930, and annually thereafter, a sum of $1,000 during the life of the bonds. In addition, twenty-year endowment life insurance policies in amount of $200,000 have been placed on the lives of the vice-president and secretary of the company, endorsed in favor of the trustee for the benefit of the bondholders.

Insurance—Full insurable value of the building will be carried on the property.

Surety Bond—Bond has been issued guaranteeing that the contractors will have the building completed by the 1st of February, 1928.

Offered—Worthington, Savage and Co., and W. R. McCoo and Co., at 100 and accrued interest, to yield 7 per cent.

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CALGARY, Alberta

CANADIAN FIELD AGAIN INTERESTS BRITISH CAPITAL

English Trust Representatives Visit Looked Upon as Significant

Representatives of English investment trusts have been in Canada during the past month negotiating with similar groups for the purpose of establishing a connection in the Dominion whereby they can invest in Canadian enterprises surplus funds under their control. Ever since the Grand Trunk nationalization dispute, which antagonized British investors, the amount of English capital coming to Canada has been negligible. Attempts have been made at various times to create more interest, but the grievance of the Britisher over his treatment in the Grand Trunk affair still rankled. In the last year, however, a change has come over the situation. While many still feel that they have been unjustly treated by the Canadian Government, yet the opportunities offered in this country for investment are such that the English investor wants to get in the market again.

Borrowers on this side, however, have held aloof from London and connections established with New York in the meantime have been working out so satisfactorily that there is little, if any, inclination to break away. It is said that British investors would welcome Canadian issues at present for more diversity in their Empire investments. But Canadian financing is likely to continue going to New York indefinitely in that loan costs are now cheaper there. New York commissions are as low as 1¾ per cent., which is about 1 per cent. less than in London, aside from the existing stamp tax, which would further add to charges. Moreover, it would be impossible to place in London some of the Canadian early maturity loans that in New York are getting money at a spread as low as one per cent.

Independent of British Capital

While the English investor feels that he has a grievance against Canada and things Canadian, his attitude has created a counter-irritant which is working to his disadvantage. Practically every government or corporate issue of importance in the last three years has been placed in Canada or the United States. A small proportion may have gone to England privately, but during that time no public offering of any consequence has been made. Canadians are not so nearly dependent upon foreign capital for the financing of their own enterprises as they were ten or fifteen years ago, and while New York can offer money on favorable terms, the tendency to borrow in that direction will continue until some radical change takes place.

The fact has also been hammered home to the British investor that he cannot place his money in Canadian industrial concerns and manage them from London to secure the best results. Much of the money lost in Canada has been due to this cause and it is significant that the recent visit of English trust representatives was not primarily for the purpose of placing investments direct, but rather to link up with a Canadian organization familiar with the Canadian investment field. Already one investment trust functioning in Toronto, has associated with it a similar concern in London and it is possible that further developments will take place shortly along these lines. The advantages of placing English money in Canadian enterprises through the medium of investment trusts are manifold. Not only is capital placed to the best advantage, but steps are taken to see that companies in which an investment is made are operated on a sound basis. In this way risk is kept down to a minimum and stability of income assured.

It is to be hoped that the outcome of these negotiations will result in the importation of a large volume of English capital. The money can be used to good advantage and there is no reason why financial relations between Canada and the Old Country should not be on the same friendly basis as existed prior to the war.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1927	96½	97½
Abitibi P. & P. 6s, 1940	103⅝	104⅞
Algoma Steel 5s, 1962	28	29¼
Alberta Pac. Grain 6s, 1946	97½	98½
Bell Telephone 5s, 1955	100¾	102
Belgo Can. Paper, 6s, 1943	101	102
Brandram-Henderson 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	86	90
Brompton P. & P. 6s, 1946	99¼	100
Burns, P. & Co., 6½s, 1943	103	104
Calgary Brewery 5s, 1942	89½	90½
Calgary Power 5s, 1940	92	93¼
Canada Lt. & Pr. 5s, 1949	91	93
Can. Nor. Power, 6s, 1941	100½	102
Canada Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	98½	99¼
Can. Steamships 6s, 1941	97	98¼
Can. Steel Foundries, 6s, 1936	104⅝	105¾
Davies, Wm., 6s, 1942	94½	96
Dominion Iron 5s, 1939	30¼	33
Dominion Pr. and Tr. 5s, 1932	97	98
Drummond Invest. 6½s, 1938	99	100
Duke Price Pr. 6s, 1966	102¾	104
East Kootenay Pr. 7s, 1942	103½	104½
Elec. Development 5s, 1933	100⅛	100¾
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98	99
Gatineau Power 5s, 1956	95	96¼
Gatineau Power, 6s, 1941	99	100⅜
Howard Smith P. & P. 6s, 1941	103½	104⅜
International Paper 6s, 1941	97½	98½
King Edward Hotel 7s, 1944	92	95
Lake Superior P. & P. 6s, 1941	106	107¼
Laurentian Pr. 6s, 1936	102¾	103¾
Laurentide Pr. 5½s, 1946	101	102
Maritime Tel. & Tel. 6s, 1941	104	105
Manitoba Pr. 5½s, 1951	98¼	99
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	100	100⅝
Mont. Pub. Service 5s, 1942	98¾	99¾
Nor Can. Pr. 6s, 1945	101	102½
Nor. Ont. L. & P. 6s, 1946	101	101⅞
Nor. West Utilities 7s, 1938	99	100
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	32	38
Nova Scotia Tram. 5s, 1946	92	93½
Nova Scotia Tram. 7s, 1952	99½	100½
Ont. Pulp & Paper 6s, 1931	109	110¼
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	103	104½
Ottawa Mont. Pr. 6½s, 1949	101½	103
Ottawa Trac. 5½s, 1955	101	101¾
Ottawa River Pr. 6½s, 1953	101½	102½
Port Alfred P. & P. 6½, 1943	100	101½
Price Bros. 6s, 1943	103	104
Prov. Lt. Pr. 5s, 1946	101¼	102
Rio Tramway 5s, 1935	95¼	96
Sao Paulo Tram. 5s, 1929	97¾	98½
St. Lawrence Paper, 6s, 1946	97	98
St. Maurice Pr. 6½s, 1953	107¼	108
St. Maurice Valley 6s, 1945	98¾	100
Shawinigan W. & P. 6s, 1950	104½	105¾
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98½	99¼
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103½	105

N. S. Steel and Coal Meets Debenture Interest

From Our Own Correspondent.

MONTREAL.—On June 30 the Nova Scotia Steel and Coal Company paid the interest on its debenture stock which was due on January 1, 1927. To meet these charges the trust deed gives the company six months of grace before application can be made for receivership. Similarly the company has three months of grace on the interest payments of its first mortgage bonds.

A year ago conditions were such that the British Empire Steel Corporation, which owns all the common shares of the Nova Scotia Steel and Coal, was forced to take advantage of these clauses providing for a short delay in meeting interest charges.

In view of the somewhat improved conditions which have prevailed in the steel and coal industries in Nova Scotia over the past year, it is presumed that the Scotia company has been able to improve its position a little and that the speculative element surrounding the company's mortgage issues has been somewhat lessened in the course of the last few months—despite the fact that interest payments are still in arrears.

Propose Scheme to Provide Canada Land With Capital

The liquidator of the Canada Land and Irrigation Company is laying before the 7 per cent. prior lien and 6 per cent. debenture holders a scheme for the provision of £30,000 of new capital by the issue of additional 7 per cent. prior lien stock, ranking in priority to existing charges, and to be known as "A" stock. The scheme also provides for the division of the existing prior lien debentures into three categories, "A," "B," and "C" stock.

Existing holders of prior lien stock who subscribe for the new "A" stock will be entitled to convert £3 of their present holding into "B" stock for each £1 of "A" subscribed in cash. The remainder of their holdings, and the holdings of all those who do not subscribe, will thereafter be classed as "C" stock. A further feature of the proposed arrangement consists of a modification of the rights of both classes of debenture holders in that the new "A" stock shall be repayable as to capital, including the premium of 100 per cent., and interest before any payments are made to "B" stockholders. Similarly, the "B" stock is to be repayable as to capital, premium of 100 per cent., arrears and current interest before any payments, interest or principal, are made to "C" stockholders.

No payments are to be made on the 6 per cent. debentures until all the prior lien stocks have been redeemed, and the due payment of all debenture stocks is to be extended until 1955. Subscriptions to the extent of two-thirds of the amount required have been already guaranteed, it is stated in London.

Wood, Gundy Issue Booklet On Its Financing Operations

In the past few years, the investment house of Wood, Gundy and Co., have carried out the financing of several important corporations and in order to provide investors in the different securities with the most recent available information regarding the companies with whose financing they have been associated, a booklet has been prepared for distribution showing the status of each one.

The financial history of each company is given in detail. In addition, there is a limited amount of general information regarding the activities of each concern, so that one can, in a few minutes, secure a good working knowledge of the enterprise. Thirty-six securities are listed, covering twenty-nine companies.

LISTED SECURITIES NOT ALWAYS BEST

Largest Volume Pass Through the Various Bond Houses

Many inexperienced investors, seeking a high degree of marketability, refuse to buy anything but listed securities. Their error is that they confuse listing with marketability, believing one to be the effect of the other.

It is unquestionably true that the average listed bond can generally be sold more readily than the average unlisted. Listed securities enjoy an advantage in the fact that listing a security on a stock exchange does facilitate transactions, thereby encouraging marketability. But in very few cases is listing a true index of marketability. There are many bonds listed on the various stock exchanges throughout the country which have remained inactive as long as a year, and in some cases several years. While it is true that a number of these issues are inactive because few are willing to sell them, it is equally true that many are inactive because no one is eager to buy them.

To list a security is merely to call it to the attention of a greater number of prospective buyers. Thus, listed securities have an "advertising" advantage over the unlisted. But by creating a wider market listing does not necessarily create a market in which a given bond can be sold on short notice at a price in line with its replacement value, as marketability demands. The only thing that can create a ready market for a security is demand, which is usually regulated by the size and distribution of the issue and the reputation of the borrower.

As a matter of fact, the largest volume of transactions in investment securities takes place not on the stock exchanges but directly through the bond houses. Even in the case of listed bonds, the volume of "street" sales is much larger generally than the sales on the Exchanges. This is only further proof that listing does not always improve marketability.

Generally, if an issue of bonds has sound values behind it, if it has been widely and carefully distributed with the purpose of creating and maintaining a genuine demand, if its worth remains stable, then a ready market for it is assured whether it is listed or unlisted.

This Week's Bond Sales

Town of Roberval

The town of Roberval, $42,000 5 per cent. 20-year bonds, maturing serially from 1928 to 1951, has been awarded to Ernest Savard, at a price of 98.9150.

Niagara Falls Issue

The Imperial Bank purchased by tender a block of City of Niagara Falls, 5 per cent. 10-year debentures, amounting to $25,890, at a price of $100.57.

City of Three Rivers

A. E. Ames and Company was awarded an issue of $148,500, Three Rivers Roman Catholic School, 5 per cent. serial bonds, at a price of 99.71. Tenders follow: A. E. Ames and Co., 99.71; L. G. Beaubien and Co., Ltd., 99.42; Mead and Company, 99.57.

Saskatoon School District

An issue of $180,000 Saskatoon School District 5 per cent., 30-year sinking fund debentures has been awarded to the Canadian Bank of Commerce at a price of 98.66, or a cost to the school district of 5.08 per cent. The bids were:

Bank of Commerce	98.66
Wood, Gundy & Co.	97.56

City of Windsor

A. E. Ames and Company were awarded an issue of $313,468 City of Windsor 5 per cent. 10 and 20-year bonds at 99.81. Fifty-three thousand dollars are 20-year bonds, and the balance of the issue are 10-year bonds. Tenders follow:

A. E. Ames & Co.	99.81
Wood, Gundy & Co.	99.17
Dyment Anderson & Co.	98.50

Town of Cap de la Madeleine

The investment house of L. G. Beaubien and Co. was the successful tenderer on the issue of $329,000, 5 per cent. serial bonds of the Town of Cap de la Madeleine. Tenders were called for the bonds in three lots of $324,000, $75,000 and $20,000, and the award was made on a bid of 99.33 for the total issue. Other bids received were as follows:

	$324,000	$75,000	$20,000
L. Normand	....	98.86	98.86
Bray-Caron-Dube	98.04	97.90	98.92
Credit Municipal	98.82	98.61	99.10
A E. Ames & Co.	98.57	98.57	98.57

Three Rivers

The city of Three Rivers has awarded an issue of $251,000 5 per cent. serial bonds to the firm of Mead & Company. Tenders were called for 4½ per cent. and 5 per cent. bonds, and the successful bid was at a price of 99.81 for the 5 per cent. basis. The bids were:

	4½%	5%
Mead & Co.	94.41	99.81
Ames & Co.	93.52	99.67
Wood, Gundy & Co.	94.03	99.60
Hanson Bros and La. Normand	93.74	99.53
Beaubien & Co.	93.18	99.42
Royal Securities	.....	99.32
Bray, Caron & Dubé	.....	99.17
Dyment, Anderson & Co.	92.83	98.53
René-T. Leclerc	95.72	.....

The cost to the city on award price is 5.01 per cent.

Tenders and By-laws

July 12 School Commission of Grand'mere P.Q.—$138,000, 5 per cent., serial bonds. A. Desilets, Sec.-Treas.

July 20. City of Shawinigan Falls, P.Q.—$88,500, 5 per cent., serial bonds. A. J. Meunier, Sec.-Treas.

July 15, Dauphin School District—$100,000 5½ per cent., 30-yr. debentures. R. M. Cardiff, Sec.-Treas.

July 21. Village of l'Enfant Jesus, P. Q.—$40,000, 5 per cent. serial bonds. L. J. Gagnon, secretary-treasurer.

BOND MOVEMENTS OF THE WEEK

Week Ending July 5

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos gen. mtge.	6	1956	6.60	83¾	81¼	94⅛	88	92¾	91⅜	92¼	91
Do., 1st mtge.	6	1941	5.98	101⅜	98¼	102	92¼	101⅛	100⅛	101⅛	..
Can. Canners	6	1950	6.04	100	94	100¼	96½	100	99	99½	99
Can. Cement	6	1929	5.35	103	100½	102¼	100	101½	101	101½	100
Dom. Canners	6	1940	5.83	101	99	101½	101½	...	100	101½	..
Montreal Trams.	5	1941	5.11	98½	93	99⅞	98⅛	98⅞	98⅜	98⅞	98⅛
Do., "A"	5	1955	5.29	95	92½	96¾	94¼	96	95½	95¾	95⅝
Ogilvie "B"	6	1932	5.15	105½	103¼	104	104	..	103¾	104	..
Quebec Rly.	5	1939	5.00	100	91⅛	100	96	100	..	100	..
Steel of Can.	6	1940	5.31	107½	106	107½	106¼	...	106½	106½	...
Wayagamack	6	1951	6.08	100⅝	90	100	97	99	..	99	..
War Loan	5	1931	4.65	100.40	100.35	101.85	100.75	101.20	100.90	101.05	100.75
Do.	5	1937	4.55	104.95	102.75	103.75	102.95	103.70	103.50	103.70	103.50
Victory Loan	5½	1927	4.90	102.50	100.15	101.00	99.85	100.35	100.15	100.05	99.95
Do.	5½	1933	4.70	106.35	103.20	105.20	103.90	104.35	104.25	104.45	104.25
Do.	5½	1934	4.96	104.40	102.65	104.10	103.00	103.15	103.00	103.25	103.00
Do.	5½	1937	4.56	103.90	106.70	108.20	106.90	107.60	107.50	107.65	107.25
Do., Renewal	5½	1927	4.75	101.95	100.00	100.80	99.90	100.30	100.10	100.10	99.90
Do., Renewal	5½	1932	4.97	103.90	102.00	103.55	101.90	102.40	102.05	102.50	101.90
Do., Refund.	5	1928	4.85	101.35	99.00	101.45	99.75	100.05	99.85	99.75	.....
Do., Refund.	4½	1940	4.55	96.95	95.60	100.05	96.60	98.55	98.30	98.65	98.30
Do., Refund.	5	1943	4.67	102.80	101.10	103.90	102.30	103.50	103.40	103.55	103.25
Do., Refund.	4½	1944	4.55	97.15	95.70	100.10	98.05	98.55	98.20	98.60	98.25
Do., Refund.	4½	1946	4.57	99.60	95.65	100.25	96.70	98.55	98.50	98.45	.....

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Three Rivers	July	Mead & Co.	5%	Serial	$251,000	99.81	5.01
Roberval	July	Ernest Savard	5%	1928-51	42,000	98.91	...
Windsor	July	A. E. Ames & Co.	5%	10 & 20-yr.	313,468	99.81	...
Saskatoon Sch. District	July	Bank of Commerce	5%	30-yr.	180,000	98.66	5.08
Niagara Falls	July	Imperial Bank	5%	10-yr.	25,890	100.57	...
Sherbrooke	June	Rene T. Leclerc	4½%	28-yr.	230,000	95.82	4.88
Westmount	June	Wood, Gundy & Co.	4½%	40-yr.	487,000	96.27	...
Riviere du Loup	June	Rene T. Leclerc	5%	....	37,000	99.26	...
East Broughton Sch.	June	Bray, Caron & Dube	...	..1 to 12 yrs.	19,500	98.84	...
Kamloops	June	Bell, Gouinlock & Co.	5½%	1941	24,000	101.15	5.25
Cap de la Madeleine	July	L. G. Beaubien & Co.	5%	Serial	329,000	99.33	....
Three Rivers R. C. Sch.	July	A. E. Ames & Co.	5%	Serial	148,500	99.71	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Parisian Laundry Co.	July	R. A. Daly & Co.	6½%	1947	$350,000	100	6½%
Richmond Building	July	Worthington, Savage & Co. and W. R. McCoo & Co.	7%	1947	$375,000	100	7%
Stock Issues—							
Jantzen Knitting Mills	July	Miller, Court & Co., and B. C. Bond Corp.	7%	Pref. (With bonus of 10 shs. common stock)	2,500 shs.	100	7%

Asphalto-Concrete Stock Sold With Common Bonus

From Our Own Correspondent.

MONTREAL.—The Equitable Securities Corporation is offering a preferred stock issue of the Asphalto-Concrete Corporation. The company has been formed under the laws of New York state, and has acquired the entire patent rights for the United States of two processes in the manufacture of concrete pipes. In Canada, these processes are being used with decided success by the Consolidated Pipe Company. The U.S. company will obtain a revenue by licensing these rights, from cash royalties, and from the sale of the necessary equipment.

The particulars of the issue follow:

$400,000 Asphalto-Concrete Corporation

7 per cent., cumulative, preferred stock. Preferred as to assets. Callable at 110.

Capitalization—

	Authorized	To be outstanding
7% cum. pfd. stk.	$500,000	$400,000
Com. stock (n.p.v.)	10,000 shs.	9,000 shs.

The Company—Owns the United States rights for the manufacture of concrete pipes and kindred commodities under the Moir-Buchanan patents, and the water-proofing process applicable to such articles under the Bille-Ligonnet patents. These processes have been successfully developed in Great Britain, in Australia and in Canada.

Earnings—Large earnings are anticipated on the common stock.

Purpose of Issue—To finance the company.

Offered—July, 1927, by the Equitable Securities Corporation at $100 per share to yield 7 per cent., carrying a bonus of one-fifth share of common stock with each share of preferred.

Crosse and Blackwell Raise Money for Toronto Factory

Crosse and Blackwell has decided to issue £600,000 six-and-a-half per cent. three-year notes, repayable on June 20, 1930. The price of issue is 99, less a commission of 1 per cent., and the company have the right to repay the whole, or any part, at 101 at three months' notice, and also to purchase notes in the market, or privately, or by tender, for cancellation. The purpose of the issue is to provide the necessary capital for the erection and equipment of the company's new factories in the United States and Canada (the latter now nearing completion in Toronto) for necessary expansion in the home factories, and for repaying outstanding capital loans from bankers.

No Sign of Let-Up at Goodyear Plants

In a message to shareholders enclosed with the preferred dividend cheques of the Goodyear Tire and Rubber Co., the president and general manager, C. H. Carlisle, states that although the recent duty imposed by Britain on tires gives the Canadian manufacturer preference over the American it also gives British tire manufacturers a substantial preference against the Canadian manufacturer.

"As far as this company is concerned," says Mr. Carlisle, "it will not be affected adversely as we are doing business, at the present time, in eighty-seven different countries and have more business than we have plant capacity.

"Our two rubber factories and the cotton plant are running to maximum capacity both night and day. There is plenty of business in sight to keep the plants to peak production throughout the fiscal year.

"Notwithstanding our increased production, the company has no loan or no indebtedness and has a substantial amount of cash on hand."

Indian Population Increasing

The Indian population of the three Prairie Provinces continued to increase during the past year, according to the Department of Indian Affairs. The present Indian population on the Reserves is distributed as follows: Alberta, 9,063; Saskatchewan 14,466 and Manitoba 11,775. There was a natural increase in this area of 368. In addition there are a number of Indian bands in far Northern districts which are not yet under treaty. These bring the estimated Indian population of the three Provinces up to 36,000.

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United Securities, Limited
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BRAZIL TRACTION COMES INTO OWN IN EARNING 10.45%

Preferred Dividend Earned Nearly Twenty Times Over

Preferred Shares

	Earned	Paid
1920	59.95%	6%
1921	32.38%	6%
1922	68.52%	6%
1923	69.30%	6%
1924	76.89%	6%
1925	82.55%	6%
1926	117.45%	6%

Common Shares

	Earned	Paid
1920	5.06%	...
1921	2.47%	...
1922	5.86%	2%
1923	5.94%	4%
1924	6.60%	4%
1925	7.18%	4%
1926	10.45%	5%

The recent annual report of Brazilian Traction, Light & Power Co., for the year ended December 31, 1926, which has just been published, showed investors that the rosy report of steadily improving conditions in the South American enterprise in which so much Canadian and British capital is invested, had not been exaggerated. Net earnings, as was known from the monthly and quarterly reports published, totaled $12,278,654, compared with $8,848,594 the previous year.

Comparison of the balance sheet, with the figures of previous years, showed a remarkable, even amazing growth. In 1922, the property account stood at $94,301,954. In 1926 it stood at $140,701,014. In 1922, the property account stood at $94,301,954. In 1926 it stood at $140,701,014. In 1922, total assets were $250,685,074. In 1926 this item stood at $286,104,734.

Conservative Depreciation Policies

Total assets have not grown as rapidly as property account. The reason lies in the conservative policy adopted of writing off large amounts for depreciation. Reserves which were $52,481,481 in 1922 have grown to $83,896,762. And despite enormous expenditures for new plant and equipment since the funded debt is less by $1,000,000 than it was in 1922, the total now being $87,692,707. Brazilian itself, it may be noted, has no funded debt, the items which total $67,692,707 being the bonds of subsidiaries such as the Rio tramways, the Sao Paulo tramways and the Sao Paulo Electric company. The most recent financing of any of these companies was in 1912.

Two Chief Industrial Cities

Sir Alexander MacKenzie, president of Brazilian and subsidiary companies, says in his report that Rio de Janeiro and Sao Paulo, the two principal cities which the company serves with transportation, electricity for heat and for power, have become the two principal industrial centres of South America, largely by reason of their abundance of cheap power and other modern facilities.

Sir Alexander points out that while the stabilization of the currency of the country has in some degree affected the earnings of the company in dollars, the outlook is not gloomy for the reason that the company has, despite this, been able to show a steady improvement in the last two years.

It is added that the cost of the services has not been increased in recent years. He contends that this is a unique situation, not only for Brazil but for all the world.

Revenues Rise Despite Depression

There has been a serious industrial depression in Brazil in the last year, affecting principally the textile trades. This was due to over-production. It was only at the beginning of the present year that the textile mills in the country again began to work normal hours. It is notable that, despite this condition, the combined traffic system in Rio and Sao Paulo carried 26,000,000, or five per cent. more passengers last year than in the year before and that the consumption of electricity increased by 9.75 per cent. Unfortunately for the company, wages and material costs are higher, with no consequent increase in rates as yet.

Sir Alexander's comment continues, in part:

"After a troubled period extending over six years, the country is settling down to its normal life and while it will take time to repair government finances, damaged so seriously in consequence mainly of subversive movements, a spirit of optimism prevails and there seems good reason for believing that those now directing the destinies of this great country will succeed in repairing national finances.

"In this connection it is interesting to note what is happening in the State of Sao Paulo where so many of the company's activities are concentrated. This state in area is only 3 per cent. and in population 15 per cent. of the whole Union, and yet its budget for 1926 was 33 1/3 per cent. of that of the Federal Union and only slightly under one-half of the total amount of those of all the other states. It is thus able to accompany the rapid industrial development by making large expenditures on schools, public health, pensions, justice, agriculture, immigration, roads and other public works.

"The cities of Rio de Janeiro and Sao Paulo have had a remarkable growth and equipped as they are with an abundant supply of cheap power, have become the chief industrial centres of South America.

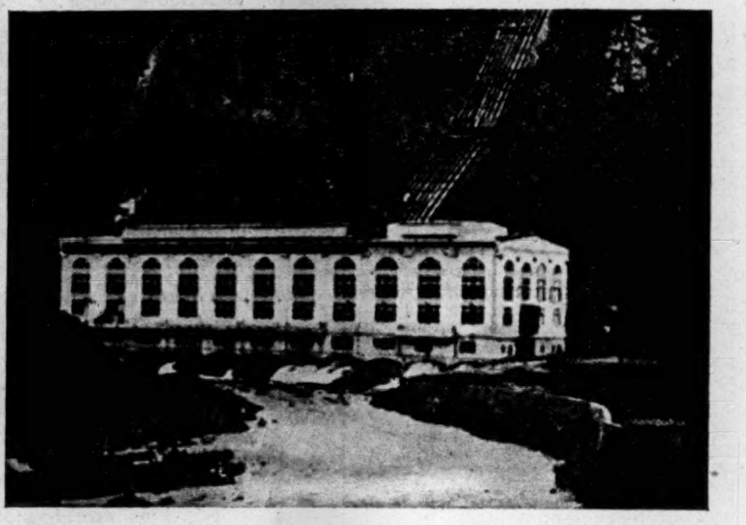
"In close vicinity to Sao Paulo the company will have when required over 600,000 h.p. available at low prices, and both there and in Rio de Janeiro, where also there is a large surplus of power, every effort is being made to attract new industries.

"The government authorities are alive to their opportunities and are seeking to attract immigrants and foreign capital, realizing that this can only be brought about through liberal measures and fair treatment."

Mayor Building Director

E. C. Cumberland, manager of the Montreal office of McLeod, Young, Weir & Co., has been elected a director of Mayor Building, which is erecting an eleven-storey and basement office and loft building in Montreal.

One of Brazilian's Generating Plants



Lages plant of Rio de Janeiro Light and Power Company, a Brazilian Traction subsidiary.

Mighty Brazilian Traction Enterprises Told in Figures

TRACTION

Tramways:	1922	1923	1924	1925	1926
Total Track (miles)	411.97	414.27	417.23	422.25	424.50
Rolling Stock:					
Passenger Cars	1,539	1,538	1,650	1,718	1,722
Freight and Service Cars	302	286	285	286	278
Funicular Railway:					
Total Track (miles)	2.56	2.56	2.56	2.56	2.56
Rolling Stock:					
Electric Locomotives	4	4	4	4	4
Passenger Cars	4	4	4	4	4
Freight and Service Cars	2	2	2	2	2
Electric Buses:					
Route (miles)	2.40	2.40	2.40	2.40	2.40
Storage Battery Buses	7	7	7	7	7
Gasoline Buses:					
Route (miles)	....	....	....	....	46.10
Gasoline Buses	......	......	......	....	36
Car Miles Run—Tramways	44,492,748	46,055,798	46,015,000	46,348,365	48,968,857
Car Miles Run—Funicular Ry.	19,729	18,973	16,453	17,061	17,263
Car Miles Run—Elec. Buses	105,943	122,374	x89,027	118,849	118,322
Car Miles Run—Gasoline Buses	....	....	....	....	810,000
Car Miles Run—Total	44,618,420	46,197,145	46,120,480	46,484,275	49,914,442
Area Served (sq. miles approx.)	1,836,109	1,891,109	1,956,657	2,016,657	2,075,000
Total Passengers Carried	454,486,999	479,527,034	498,242,281	526,240,551	552,078,727

ELECTRIC LIGHT AND POWER

	1922	1923	1924	1925	1926
K. W. Hours Sold	426,918,516	468,211,051	483,240,843	479,540,843	526,317,699
Cap. of Gen. Plants (kil.)	125,400	125,400	169,400	210,400	240,400
Total Connected Load (kil.)	326,335	340,973	373,901	403,700	435,210
Total Consumers	152,588	164,188	175,397	185,853	201,620
Trans. Lines (miles of circuit)	687.40	692.61	915.69	1,018.84	1,065.73
Distrib. Lines (miles of wire)	4,716.74	5,085.84	5,670.57	6,431.77	6,752.37
Area Supplied sq. mi., approx.)	2,583	2,583	2,583	2,583	2,583
Area Served (sq. miles ap.)	113	113	113	113	113
Pop. Served (app.)	1,836,109	1,891,109	1,956,657	2,016,657	2,075,000
Population Served (approx.)	2,330,763	2,450,865	2,573,905	2,703,905	2,850,000

GAS

	1922	1923	1924	1925	1926
Gas Sold (cubic metres)	57,143,781	59,457,174	65,043,651	71,019,515	81,571,030
Total Consumers	36,965	37,824	40,328	44,136	49,535
Mains Laid (miles)	763.06	768.04	776.11	792.69	817.51
Stoves, Water Heaters and Other Appliances	52,668	54,298	54,975	57,582	70,037
Area Supplied (sq. mi., approx.)	82	82	82	82	82
Population Served (approx.)	1,500,000	1,540,000	1,600,000	1,660,000	1,720,000

TELEPHONES

	1922	1923	1924	1925	1926
Total No. Telephones in Service	71,514	74,359	77,977	81,752	83,677
Average Daily Calls	735,009	705,349	763,959	770,907	789,852
Wire Strung (miles)	220,527	231,614	234,660	240,796	245,285
Pole Lines (miles)	3,048.53	3,170.32	3,256.69	3,753.11	3,736.29
Area Served (sq. mi., approx.)	63,912	63,912	63,912	63,912	63,912
Population Served (approx.)	6,067,000	6,237,000	6,395,000	6,500,000	6,800,000

*During about three months the bus service was suspended by order of the Prefecture. Service was reinstated by order of the Court, which upheld the right of the Company to operate the buses.

Brazilian's Balance Sheets Compared

Assets	1926	1925	1924	1923	1922
Property account	$140,701,014	$131,603,183	$122,607,215	$117,678,485	$ 94,301,954
Investments	7,491,388	6,755,853	6,063,543	5,408,031	4,775,914
Current assets	18,158,430	17,971,864	18,516,159	16,073,607	15,797,141
Advances to co's owned	68,942,222	68,256,436	67,804,058	67,417,072	85,320,581
Rights, franchises, etc.	50,811,680	50,803,926	50,778,960	50,808,854	50,489,484
Total assets	$286,104,734	$275,391,263	$265,769,935	$257,386,049	$250,685,074
Liabilities					
Capital	$116,593,400	$116,593,300	$116,592,100	$116,591,800	$116,592,100
Funded Debt	67,692,707	68,021,826	68,335,277	68,633,737	68,918,146
Current liabilities	9,884,360	10,241,647	7,917,288	6,376,636	5,707,349
Reserves	83,896,762	74,313,170	67,095,971	59,730,706	52,481,796
Surplus	8,037,505	6,221,320	5,829,299	6,053,170	6,985,682
Total liabilities	$286,104,734	$275,391,263	$265,769,935	$257,386,049	$250,685,078

How Brazilian Revenues Have Grown

	1926	1925	1924.	1923	1922
Total revenue	$21,813,720	$17,527,506	$16,719,773	$15,419,964	$16,417,251
Reserve for dep.	5,823,622	4,807,980	4,238,848	4,047,040	3,941,393
Bond interest	4,084,242	4,391,087	4,709,785	4,654,983	5,052,961
Balance	$11,905,856	$ 8,328,439	$ 7,771,140	$ 6,717,941	$ 7,422,897
Interest in invest.	372,798	520,155	478,381	792,518	450,064
Gross revenue	$12,278,654	$ 8,848,594	$ 8,249,521	$ 7,510,459	$ 7,872,961
Expenses	233,257	293,308	310,604	280,494	720,993
Amortization	300,000	300,000	300,000	300,000	300,000
Net revenue	$11,745,397	$ 8,255,286	$ 7,638,017	$ 6,929,965	$ 6,851,968
Balance forward	6,075,907	5,683,887	5,907,758	6,840,270	5,719,813
	$17,821,304	$13,939,173	$13,546,675	$13,770,235	$12,571,781
Pref. div.	600,000	600,000	600,000	600,000	600,000
Com. div.	5,329,211	4,263,266	4,262,788	4,262,477	2,131,511
Reserves	4,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Balance	7,892,093	6,075,907	5,683,887	5,907,758	6,840,270
	$17,821,304	$13,939,173	$13,546,675	$13,770,235	$12,571,781

Brazilian Revenue Maintained in Current Year

	Gross Earnings		Operating Expenses		Net Earnings	
	1927	1926	1927	1926	1927	1926
January	$2,975,801	$3,163,670	$1,300,872	$1,371,382	$1,674,929	$1,792,288
February	2,876,573	2,893,557	1,262,000	1,214,770	1,614,573	1,678,787
March	3,080,055	3,077,791	1,314,573	1,314,448	1,765,482	1,763,343
April	3,053,071	3,021,732	1,309,457	1,306,360	1,743,614	1,715,372

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BRAZILIAN OWNS NATION'S LARGEST ELECTRIC PLANTS

Two Traction Subsidiaries Have Taken Lead in Development

The recent Brazil Number of the London Times casts some light upon the important work being done by Brazilian Traction Light and Power Company in the development of electrical energy in that country. An article on hydro-electric developments in Brazil says regarding Brazilian Traction's two chief subsidiaries;

By far the most important hydro-electric developments in Brazil have been carried out by the Rio de Janeiro Tramway, Light and Power Company, Limited, and the Sao Paulo Tramway, Light and Power Company, Limited. The former company supplies the entire electrical requirements of the city of Rio de Janeiro, the Federal capital of Brazil, perhaps the best illuminated city in the world. Passengers approaching Rio at night are struck by the beauty of the necklace-like chain of lights which marks the sea front, while the reflex in the sky is visible for miles out to sea. In order to secure the electrical energy for this important centre, the Rio de Janeiro Tramway, Light and Power Company, Limited, constructed an artificial connexion by means of a tunnel about eight and a half kilometres long, driven mainly through solid rock, between the River Pirahy and the River Ribeirao das Lages. On this site the company have created a lake storing some 192 million cubic metres of water, with a head of 310 metres. As a supplement, and in order to provide for the ever-increasing demand for electrical power, the Brazilian Hydro-Electric Company, Limited, was formed by the same group of financiers to develop the hydro-electrical energy of the falls on the Parahyba river at Ilha dos Pombos, where two turbines, each producing 29,500 h.p., are installed. The capacity of this installation can be tripled when necessity arises.

Sao Paulo Tramway's Work

"The Sao Paulo Tramway, Light and Power Company, Limited, provide for the electrical requirements of the capital of the great coffee State. So rapid has industrial development been in the ciy of Sao Paulo and its vicinity that this company has been repeatedly obliged to increase its installations to supply the demand. Sao Paulo is the chief industrial centre of South America; practically every article of common use is now produced in and near its boundaries, the factories being equipped with most modern machinery and appliances and giving employment to thousands of operatives. In order to ensure a continuous supply of energy to the Sao Paulo industries, increasing in numbers and importance from month to month, the engineers of the Sao Paulo Tramway, Light and Power Company, Limited, have carried into effect one of the most daring hydro-electrical development schemes in the world. The city of Sao Paulo is situated in the "Serra do Mar" range of mountains at a height of nearly 800 metres above sea level. That range diverts the course of many rivers inland over the great plateau. Consequently there are no waterfalls of great power in the immediate vicinity of Sao Paulo. In order to develop power close to the place of greatest demand, therefore, the company has, by means of tunnels and canals, diverted several small rivers from their natural course and so connected them as to form an inland fresh-water lake. The waters of this lake are conducted down the mountain side by pipe-line to the power-house on the plains of Cubatao in the vicinity of Santos, with a head of 2,370 ft. On this development two 40,000 h.p. units have already been inaugurated, with turbines and generators which are, of their type, the largest yet constructed. The ultimate capacity of the "Serra" development when the various reservoirs are formed will be considerably in excess of half a million horse-power."

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Keeping step with this ever-rising demand, the Chrysler Corporation of Canada, Limited, in January, 1927, took over a second plant giving 300% increased facilities—and finally making it possible for Chryslers to be built largely of Canadian materials in Canadian factories by Canadian operatives.

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It is a source of deep pride and satisfaction for Chrysler thus to have a hand in the expansion of Canada's many and varied industries which develop materials for automobile manufacture—a source of inspiration to build so soundly that present success shall increase and multiply to the permanent benefit of Canada and Canadians.

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CHRYSLER

THE CANADIAN-BUILT CHRYSLER FOR CANADIANS

Third Article in a New Series on the Finances of Our National Railways.

Government Had to Take Over Railway Systems

By RIELLE THOMSON.

Perhaps the fundamental mistake in the government's handling of the railway situation occurred at the inception of the C.N.R. when the government, instead of allowing the roads to pass into the hands of the receivers, acquired and amalgamated the five properties and at the same time assumed the debts of these (corporations,) or in other words, their bonded debts. Indeed, since 1917 the government has also made disbursements on some of the junior securities of the roads which it acquired.

Was the acquisition of the roads in this fashion a mistake? If the railways had passed into the hands of the receivers, the government could later have purchased the properties on the basis of their individual earning power. The C.N.R. to-day would have had therefore a capitalization compatible with its earning power.

On the other hand, when the roads were taken over, all the resources of the nation were being utilized to one end, namely, to bring the war to a close. Efficient railway service was fundamental in placing the war effort at the highest pitch of efficiency. Had the railways been in the hands of the receivers, there would have been but little chance of really efficient railway service.

Due to Cost of War

So to-day, when the C.N.R.'s income statement shows a deficit of $29,894,073 after payment of all interest charges, due both to the public and to the government, we might almost ask if it would not be fair to regard such a deficit as part of the Dominion's payment for its share in the war?

Before continuing with the discussion of the present situation, a brief review of the aid granted to the component companies by the government provides a background which indicates in part why the government acquired the roads in 1917 instead of allowing them to be auctioned off by the receivers, acting on behalf of the bondholders.

It would be well to include also a resumé of the government's assistance to the Canadian Pacific Railway in order that a better basis of comparison of the various grants and subsidies to the roads may be reached. By the close of 1916, the Canadian Pacific Railway had received total public assistance, direct and indirect, of $228,500,925. This figure is composed in part of $37,785,320 being the cost price of the completed road handed over to the C.P.R. at its inception, government subsidies of $56,505,181 and the proceeds of its land grants totalling $123,810,124; in 1916, the company still held land grants to the extent of 11,482,132 acres. These unsold lands were carried on its books at a further figure of $119,250,000. It must be noted though that this sum of over $228,000,000 was not net to the company as it represents the gross receipts while the company expended large sums of money in irrigating a portion of the land which it sold.

Canadian Northern's Grants

The Canadian Northern received total land grants of 6,555,000 acres of which it sold 3,309,720 acres to net the company $16,603,295. At the close of 1926 the Canadian Northern appraised its unsold land at $19,885,485. The company realized from direct and indirect public assistance, including the total of land sales and mortgages on its land, a grand total of $298,253,263.

The Grand Trunk Railway on the other hand, received but little as compared with the other roads. Its total public aid amounted to only $28,145,693. Its subsidiary, the Grand Trunk Pacific Railway received total public aid amounting to almost $128,000,000.

These figures of the direct public aid given to the Canadian Northern, the Grand Trunk Pacific coupled with the investment in the Transcontinental and Intercolonial Railways, gave the Dominion government investments totalling $739,950,812 as its total investment in the railways now comprising the Canadian National Railways. At the close of 1916 the Dominion government had advanced money which amounted to about 60 per cent. or more of the total cash cost of the five railways. Perhaps 70 per cent. would be a closer figure.

The Only Solution

Little wonder then that the government hesitated to allow the railways to go on the auction block. Thus the decision to acquire the railways.

Several courses were open to the government. The railways could have been operated directly by the government; they might have been transferred to the C.P.R. for operation; a new commercial company might have been formed to purchase them, and, lastly, they might have been operated under their own board of directors—the way out which was finally chosen.

In view of the unsatisfactory results which had accrued in other countries from the direct government operation of railroads, direct state ownership and operation was thought at the time to be unadvisable in the Dominion.

Receivership was discussed and rejected because of the war and the need for satisfactory railway operation. The operation of the new consolidated system by the C.P.R. was rejected because the people of Canada had already spent many hundreds of millions of dollars largely with the object of breaking the private monopoly of the Canadian Pacfic and by such action would consent to the re-establishment of a still greater monopoly, even if the government were a partner in the concern. The possibility of forming a new commercial company was discussed and rejected because such a company could not possibly be Canadian. The capital would have to be found elsewhere and the control would follow the capital. It was decided that such a great Canadian enterprise should be under Canadian management and the present system of management under its own president and board of directors came into being.

EXPECT RECORD HOP CROP IN B.C.

Six Thousand Pickers Will be Needed for the Harvest

Hop growing in British Columbia has grown to such a proportion in recent years that the chief problem now confronting the growers is to secure sufficient labor. The change in prohibition regulations in the different Canadian provinces has caused a greater demand for this product, which is so essential in the brewing industry.

It is estimated that the crop this year will be the largest ever recorded and that no less than 6,000 pickers will be needed to handle the hop harvest of the Fraser alley. This small army will be recruited from the valley itself and from Vancouver, many women as well as men being employed. A few years ago sufficient Indians to handle the crop were always available, but now production has grown so much that the natives can not begin to harvest it.

In the Sumas reclaimed area alone 1,500 pickers will be needed to handle the output of new hop lands, and twice that number will be required next year when newly-planted acreage comes into active production.

The assistance of the department of labor is being asked to supply the necessary labor for the hop harvest. During the summer the government labor bureau in Vancouver will try to line up the necessary pickers to start work in August and continue in the hop fields until the latter part of September. The needs of the hop growers will keep in British Columbia hundreds of men who otherwise would go to the prairies to work in the grain harvest there, it is expected.

British Columbia will ship hops to new markets in Australia this year for the first time, under plans announced at the department of agriculture. Samples of the local product sent to Australian brewers have been tested and found excellent, and orders are expected to follow. Apparently there will be no trouble in marketing all the hops the province can supply, as the local product is regarded as the equal of any in the world, ranking even with the famous Bohemian hop, from which the best beers of Continental Europe are made.

MANY CHANGES IN MAY TRADE REPORT

Favorable Balance Less But Duty Collected is Greater

May trade figures, which are now available in detail, show a number of changes of more or less importance, both in imports and exports. During the twelve months ended May, 1927, total trade was $2,349,028,255, as compared with $2,270,696,378. Despite the increase in aggregate, imports during the year just ended increase in greater proportion than did exports with the result that the favorable balance of $378,330,268 in 1925-26 was cut down to $257,530,123. At the same time duty collected advanced from $146, 396,744 to $161,736,773.

There is no change of any moment in the relative standing of the different countries with which Canada has trading relations. The United Kingdom is still our best customer, having purchased $474,023,318 worth of Canadian products in the year just ended, while the United States supplied Canada with most of her imports, $698,686,409 having been the value of goods purchased in that market. Trade with Australia shows a healthy increase, both imports and exports being larger. Exports to New Zealand dropped off nearly 20 per cent., while at the same time shipments to Brazil increased about 75 per cent. Internecine warfare in China affected trade and exports to that country declined by nearly 50 per cent. Trade with Italy is on the increase, as it is also with Netherlands, Belgium, France and Germany.

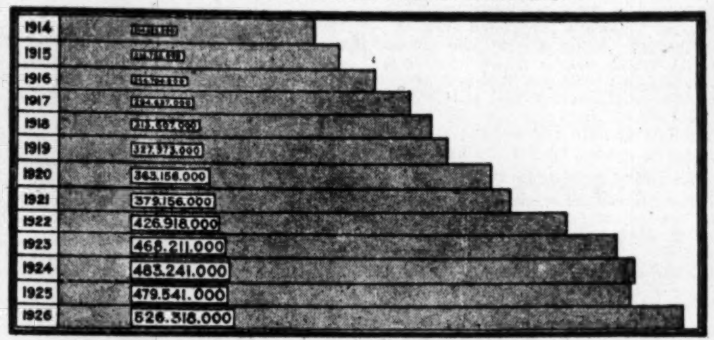
Imports of Metal Greater

The most outstanding change in the import trade during the 12 months ended May, 1927, was the increase in metals from $239,335,510 in the preceding year to $293,382,991. Much of this increase was accounted for by heavier importation of motor vehicles, especially passenger automobiles. Machinery, farm implements, engines and boilers, wire aluminium, and electric apparatus also increased. Petroleum and sugar imports were also greater, while wool brought into the country increased about $4,200,000. The most notable change in this division occurred in the value of rubber imports, the drop being over $10,000,000. This was due to the collapse of the raw rubber market.

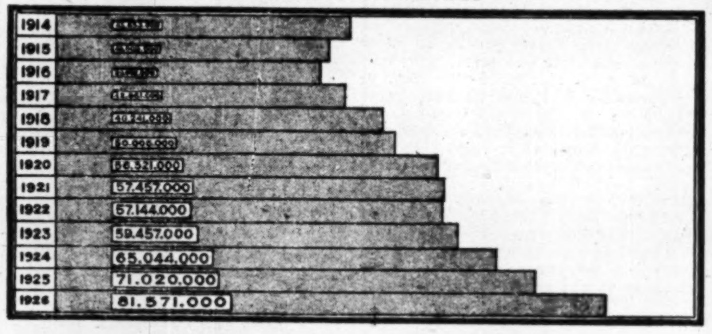
The disruption of trading relations with the United Kingdom, brought about by the British coal strike, is evident from the figures on exports, especially foodstuffs. Livestock, cheese, fruits, wheat flour and meats, all recorded lower values during 1926-27. On the other hand, fish, furs, grain and products, newsprint paper, manufactured rubber products and tobacco exports increased in value. Gold, ore, dust, etc., decreased materially, owing to the acceptance of these items at the Royal Mint, Ottawa, instead of having to export them to the United States.

Charts Tell of Brazilian Traction Company's Progress

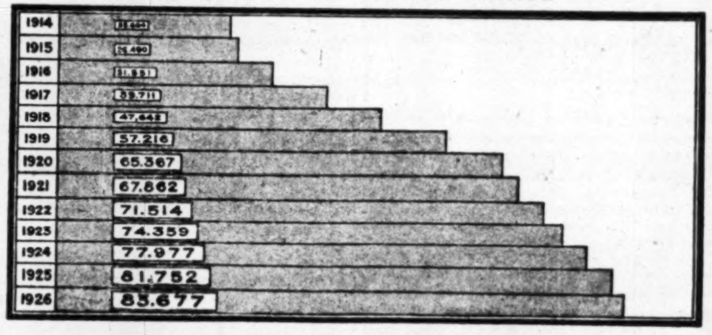
SALES OF ELECTRICAL ENERGY K.W. HRS.



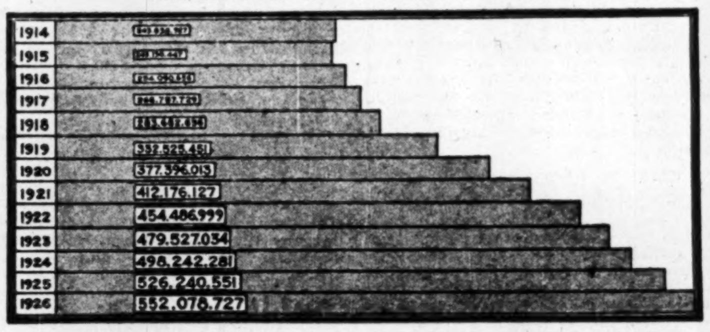
GAS SALES – CUBIC METRES



NUMBER OF TELEPHONES IN SERVICE



TRACTION SERVICES – PASSENGERS CARRIED



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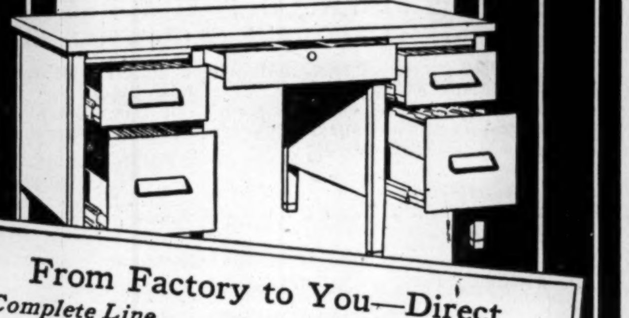

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Canadian Pacific Can Meet Public Rail Competition

No Reason for Investors to Fear for Their Holdings of C. P. R.—Optimistic Review by American Banking House

There is nothing but clear sailing ahead for the Canadian Pacific Railway. The only possible difficulty in sight is unfair competition from the Canadian National Railways, always an inherent possibility in a government owned property. But the people of Canada have shown themselves so fair in their attitude towards the C.P.R. that unfair competition from the Canadian National is a very remote possibility.

These are the conclusions reached by a New York investment house, Wood, Struthers and Company in a 90 page review of C.P.R., which they have just issued after patently exhaustive investigations, including an inspection of the main portions of the railroad. With the conclusions reached, E. W. Beatty, president of the C.P.R., agrees in a letter which accompanies the review, and in which he criticises only minor points.

Wood, Struthers and Company explain in a foreword that certain important holders of Canadian Pacific stock debentures came to the conclusion after a trip through the Dominion some time ago that competition between C.P.R. and Canadian National was a serious and growing menace to the future prosperity of the Canadian Pacific. They were planning to liquidate their holdings. It was to examine into this situation that the present review was undertaken.

Little Unfriendliness Seen

The report opens with a brief history of the C.P.R. in which it is stated that "a country-wide canvass of shippers, newspaper men and politicians finds little direct unfriendliness toward the Canadian Pacific."

C.P.R. is an integrated transportation machine, it is stated, with important affiliated services in mining, ocean, coastwise and lake steamers, hotels, express, sleeping and dining car service, telegraph and news services, the world's largest colonization and development department, etc. "These affiliated interests of the Canadian Pacific are extremely important from the viewpoint of the investor for not only do they provide a greater stability of earning power than could be obtained from railroad operation by itself but they give the security holders an excellent opportunity to share in the development of Canada's natural resources, which down to date have been scarcely touched."

Better Located Than C.N.R.

C.P.R.'s location and territory is on the whole decidedly better than that of its chief competitor, which is to be expected because practically every mile of line of the Canadian Pacific was built with the idea of its relationship to the whole system, in contrast to the Canadian National, which was forced to take over a number of lines which were originally designed as competitors.

In improvements to roadbed, track, etc., in adoption of the best equipment and in its maintenance policy, C.P.R. has been progressive and sound, the report finds. It suggests that a larger number of engines of high tractive power might be added, but to this Mr. Beatty, in his letter of criticism, takes exception, pointing out that the adoption of the larger locomotives must come gradually, as sidings are lengthened, and other elements in the system synchronized to the new development.

Pay Tribute To Staff

"The men in control of the destinies of the Canadian Pacific are held in the highest regard by the Canadian public and are looked up to with very noticeable respect by their junior officers and men," says one striking tribute. "They all have long and honorable records of service with the company and very few of them were imported from foreign roads, in keeping with the company's policy of promoting men from the ranks rather than filling vacancies from outside."

With a strong organization, excellent morale and an up-to-date transportation machine, it is not surprising to find that the Canadian Pacific has an excellent record for efficiency. Its achievements in recent years are readily appreciated from the following:

Cost, in cents, to haul 1,000 equivalent gross tons one mile:

1921	79.79
1922	72.57
1923	66.30
1924	63.41
1925	56.50
1926	55.27

Decrease 1926 from 1921, 31%

Small Return on Investment

It is pointed out in the report that freight rates in Canada are probably the lowest in the world. The Canadian Pacific's average freight rate has been even lower than that of the Class I railroads in the United States. To-day it is 8 per cent. lower. The rate of return on C.P.R.'s investment in property has been meagre indeed, averaging scarcely 4 per cent. in the past few years and showing only 4.660 per cent. in 1926. In the United States, the railroads are allowed 5¾ per cent.

"The low rate of return is considered as significant from the investor's point of view for the likelihood of any serious reductions in freight rates appears remote."

Coming to the question of competition from the Canadian National Railways the report reviews the history of the National lines up to the time of their consolidation as one system. It is stated that "the worst effects of the Canadian National competition were felt in 1921, the first year of unified operation. Prior to this time the Canadian Pacific received a good share of business from the different units which were later consolidated into the Canadian National System. Naturally enough this business was retained for the benefit of the new system."

How C.P.R. Lost Traffic

An interesting table is printed to show how this affected C.P.R. The tonnage of freight received by C.P.R. from Canadian connections has been:

1919	6,760,000
1920	6,272,000
1921	3,125,000
1922	3,767,000
1923	3,959,000
1924	5,217,000
1925	5,469,000
1926	6,085,000

"This table brings out very forcibly the decline, most noticeable in 1921 and 1922, of the tonnage turned over to the Canadian Pacific by Canadian connections, which would be principally the Canadian National lines. The improvement in the agricultural and industrial situation in the last three years has resulted in larger receipts from Canadian connections, but nevertheless the tonnage received from them has not advanced as rapidly as the traffic originated."

C.N.R. Competition Important

Continuing its discussion of the possible effect on earnings of C.N.R. competition, the report declares:

"A country-wide campaign was inaugurated at great expense to urge shippers to support their own railway in order to reduce the taxes necessary to make up the annual deficits. Had the Canadian Pacific been a railroad with no friends, this new kind of competition might have been disastrous, but intelligent shippers realize that Canada needs the Canadian Pacific perhaps even more than it needs the Canadian National, and in the last analysis what is more important is that shippers give the business to the railroad providing the most efficient service. In this respect, the Canadian Pacific can more than hold its own against its competitor. There is no exact way of telling how much business the Canadian Pacific lost to its new competitor at that start, but some idea of what the situation has been since 1922 can be gained from the following table:

Revenue Ton Miles of Freight

	C.N.R.	C.P.R.	Proportion Hauled by C.P.R.
1922	16,432,788,000	12,785,232,000	43.8%
1923	18,546,404,000	14,274,362,000	43.5%
1924	16,932,406,000	12,428,147,000	42.3%
1925	18,026,790,000	13,067,431,000	42.0%
1926	19,812,954,000	13,842,581,000	41.1%

National Gains in New Districts

"The table undoubtedly shows that the Canadian Pacific's proportion of the total tonnage has fallen off slightly, which, on casual consideration might lead to the conclusion that it was losing business to its competitor. But upon investigation, it was found that the Canadian National has had an important gain in business in new districts not served by the Canadian Pacific. Industrial development taking place in the Chicoutimi and Lake St. John districts alone accounts for a large part of the Canadian National's gain in business, and there is also an important volume of business to and from the new line in the Rouyn mining district. Also, the pulp and paper business has been extremely active in the last two years, and the Canadian National, serving as it does, new and undeveloped timber areas, has profited more from this than the Canadian Pacific. Another factor which must not be overlooked is that the Canadian National's American lines give it a large proportion of its total business, and traffic on the American side of the border has increased relatively more than in Canada in recent years. When all of these factors are offset against the slightly greater increase in the Canadian National's traffic shown above, it is obvious that, at least, in the last five years—during which period the Canadian National has employed every device known in railroading to draw traffic away from its competitor—the Canadian Pacific has not suffered in comparative business.

"Bearing on this subject is the recent statement to this firm by President Beatty, which follows:

"'While the competition of the government system involves consideration not present in that of the ordinary competition between private enterprises and is fundamentally unfair. I think I may frankly say to you that except in isolated instances of unnecessary duplication of facilities, this company has not suffered in competitive traffic. In fact, the Canadian Pacific has well maintained its position over the past few years, and the improvement in the gross earnings of the National railways has been due in a substantial measure to the larger United States traffic which they have enjoyed and to the development of new non-competitive territory, particularly in respect of the latter in the way of shipments of pulp and wood in districts now being opened up for the first time.'

In One Respect, Is Protection

"Nevertheless, the effect on the Canadian Pacific of future competition with the Canadian National cannot be overlooked. In one respect, competition with the Canadian National is a protection for the Canadian Pacific. Under present scale of rates, applicable to both railroads, the public must pay out in the form of taxes enormous sums annually to support the government railways. Its management, therefore, which wields an important influence in Canadian political affairs, has consistently been opposed to lower rates. It is fairly simple to show that a reduction of 10 per cent. in freight rates would have increased the deficits of the Canadian National in 1926 from $29,000,000 to in the neighborhood of $49,000,000, which would have meant a corresponding increase in taxes.

"The Canadian Pacific's future will, undoubtedly, be influenced, to its benefit or detriment, by the manner in which the Canadian people finally solve the problem of the government owned railroad. This has been a serious drain on the prosperity of the country. In fact, the advances to the government railways in the period 1921 to 1925, inclusive, absorbed over 84 per cent. of the $379,000,000 collected from the people in income and business profit taxes, while at the beginning of 1927 the Canadian National was indebted to the Dominion government to the extent of $1,226,000,000. In addition to this, the Dominion has guaranteed some $580,000,000 of the Canadian National's bonds.

Making the Canadian National Pay Way

"Obviously, therefore, to discover a way in which to make the Canadian National self-supporting is one of Canada's most difficult problems. The development of a sound immigration policy is beginning to bear signs of success: and, coincident with a general revival of business activity, the Canadian National's deficit after charges in 1926 amounted to $29,894,000, compared with $42,000,000 in 1925. There seems to be some hope that, before many years roll by the Canadian National will be able to wipe out completely its annual deficits, but in order to be self-supporting, with the ability to finance its capital requirements unaided by the support of the Canadian government's guaranty, the Canadian National must do more than simply meet its deficits. It should also be able to pay something on account of the defaulted interest due the government which now totals close to $200,000,000."

Continue to Earn Special Income

C.P.R.'s special income account, which pays 3 per cent. annually on the common shares, comes in for analysis:

"The Canadian Pacific's income from outside sources is very important, amounting to about 20 per cent. of the total earnings. This special income in the last decade has ranged annually between $9,000,000 and $11,500,000 with the trend generally upwards. It has lost dividends of about $1,300,000 formerly received from the Minneapolis, St. Paul & Sault Ste. Marie and its steamship operations have been less profitable by about $1,000,000 a year than they were about ten years ago. But these losses have been more than made up, partly by larger dividends from its investment in Consolidated Mining & Smelting Company, and partly from larger miscellaneous outside income. The latter cannot be analyzed sufficiently to draw conclusions as to its permanency, but even if this unexplained income is ignored, the Canadian Pacific had an equity last year of $3,329,000 beyond the dividends actually paid, in the surplus earnings of the Consolidated Mining & Smelting Company which, by itself, is large enough to overcome the loss of the 'Soo' dividends and the smaller earnings of the Steamship Department.

"Looking toward the future, it appears that the Canadian Pacific's special income should be at least as large as in the last decade. The 'Soo' may once more pay dividends if the improvement in the situation in the American Northwest continues, and it seems that the unfortunate situation which has confronted the steamship business in the last few years has about reached the point where an improvement is to be expected. Meanwhile, the Canadian Pacific can draw on the profitable Consolidated Mining & Smelting Company for larger dividends if it feels this desirable.

In Strong Financial Condition

"Although the Canadian Pacific's earning power in the last five years has averager smaller than it was nine or ten years ago, nevertheless, its balance sheet indicates that the road was never in a stronger financial position," the report says. "It is almost free from the usual debt refunding problems of most American railroads, and its capitalization is small in relation to the value of its property with a surplus amounting to more than its interest bearing obligations. Its assets of a liquid nature include a cash balance equal to more than a year's dividend requirements on its stock, not including any part of its investments valued by the company at $167,000,000 in which one item alone, the Consolidated Mining & Smelting Company stock, has a present market value of nearly $64,000,000. In addition, the company still retains its valuable holdings of agricultural lands and town sites, timber lands, and mineral rights which will, with the development of Canada, some day prove enormously valuable, although carried on its books at nominal figures. Reflecting these unusually favorable characteristics of its balance sheet, among other things, the Canadian Pacific's credit is excellent, substantiated by the fact that its 4 per cent. Consolidated Debenture stock, the major vehicle for financing its capital requirements, is selling on a 4.64 per cent. basis, and its common stock is selling 84 points above par.

General Conclusions Are Favorable

The general summary is very optimistic and states:

"Few, if any, great enterprises have been more logically conceived, more skillfully completed, more thoroughly integrated, or more ably administrated than the Canadian Pacific. From a relatively modest beginning, it steadily forged ahead, till it achieved its present position of the greatest privately owned transportation machine in the world. And throughout this trying period of expansion, it is gratifying to note that the enterprise has been developed with due regard to profits for owners, as well as service to patrons.

"Its unbroken dividend record extends back for almost half a century. From 1883 (the year of its first disbursement to its stockholders) to date, its dividends have averaged 6.7 per cent. per annum, while no less than 10 per cent. has been paid for the last 17 years. Nor does the dividend record alone tell the whole story. For every dollar paid in dividends on its common shares, it has retained, in the form of surplus, an additional seventy-seven cents. The book value of its common shares is now $244.

Has Given Good Service

"Its record for service (as distinguished from profits) is even more remarkable, for it was the pioneer and has ever since been the chief factor in furnishing the thinly settled Dominion of Canada with transportation facilities a quarter of a century in advance of their needs and at rates materially below those prevailing on this side of the line. And to supplement this extensive rail service, it has developed one of the most extensive and favorably known inter-ocean shipping routes to say nothing of its excellent British Columbia coast service; telegraph, express and sleeping car services have been created; imposing lines of hotels erected; and mineral resources of magnitude exploited and profitably developed.

"The great war checked the normal growth of the Dominion and left behind problems of grave importance. But gradually the Dominion is emerging from the effects of the war, immigration is increasing and promises to develop even more satisfactorily, and, in like manner, the Canadian Pacific is making progress.

Have Had Excellent Security

"The holders of the consolidated debenture stock and prior obligations of the Canadian Pacific, even during the initial period of development and the more trying period commencing with the war, have enjoyed excellent security. During the last decade fixed charges on these obligations have been earned on an average of more than 4.1 times and the assets securing them are valued by the company at more than a billion dollars, or 4.3 times the amount of the debenture stock outstanding.

"The investment risks to the shareholders are compensated to an unusual extent by the prospects of more than commensurate reward should their faith in the enterprise be vindicated. Not only do they receive a generous rate of return, the safety of which seems to have been adequately tested in the last decade by the Canadian Pacific's success in coping with the trying circumstances of the period, but there are several avenues which will possibly lead to an eventual position of prosperity exceeding that of any former period in its history.

"At the present time, the only discernible element in the situation that need cause any uneasiness over the future of the Canadian Pacific is the prospect of increasing competition from the Canadian National lines. Competition, if reasonable and fair, is far from an unmixed evil, but, unfortunately, competition with a government owned railroad may be unfair. However, this competition is not as serious as it would be if the Canadian National were a prosperous railroad for, if this were a fact, there would always be political pressure brought to bear for reduced rates and extension of services which would result to the disadvantage of the privately operated railroad. As the situation exists to-day, there are various sectional movements for reduced rates, but there is also plenty of opposition to this from thinking Canadians who realize that any reduction in rates will increase the already heavy deficits of the Canadian National which must be met from increased taxation. To that extent the poverty of the Canadian National is a protection for the Canadian Pacific. No one can guess what form this competition may take in the future, but five years have now rolled by since the Canadian National became a unified system and during this time it has used about every device known in railroading to draw traffic away from the Canadian Pacific, but down to date there is nothing to indicate that the Canadian Pacific has not maintained its share of the business at competitive points.

"Is it too much to expect of the Canadians, who have already overcome so many difficulties, that the Canadian Pacific Railroad and the National lines will be permitted to expand along lines of sound but fair competition and that, with the gradual development of the Dominion, there will come increasing prosperity to both?"

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THE FINANCIAL POST.

COMMERCIAL ALCOHOLS LIMITED

Preference Dividend No. 14

Notice is hereby given that a Dividend of two per cent. on the issued and fully paid Preference Shares of the Company has been issued for the quarter ending June 30th, 1927, payable July 15th, to shareholders of record June 30th, 1927.

Ordinary Dividend No. 1

Notice is also given that a dividend of Twenty-five cents (25c.) per share on the issued and fully paid ordinary shares of the Company has been declared for the quarter ending June 30th, 1927, payable July 20th, to Shareholders of record June 10th, 1927.

By order of the Board.
T. V. BATTERSBY, Secretary.
Montreal, June 30th, 1927.

MONTREAL TRAMWAYS COMPANY

Dividend Notice

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share, for the period ending June 30th, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record the 7th day of July, 1927, at 4 o'clock p.m., and payable on the 15th day of July, 1927.

By Order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
Tuesday, June 28th, 1927.

EXECUTIVE

Available

HERE is a well-known successful executive with varied, thorough and practical experience as salesman, branch manager, general sales manager, and Canadian Manager for large corporation.

He is a Canadian, age 34, in excellent health, married, has unimpeachable references and business record. He possesses an intimate knowledge of almost the entire Dominion, is capable of creative thought and constructive ideas and has the sales instinct, vision and energy to build up a business.

For sound reasons he desires to change his present business. He wants this new connection to be his last, and will consider any enterprise that is likely to be of economic importance during the next 20 years. In first instance, please write, in confidence, "Executive," care A. McKim, Ltd., 34 King St. E., Toronto.

PENMANS LIMITED

Dividend Notice

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1927:—

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of August to Shareholders of record of the 21st day of July, 1927.

On the Common Stock, One Dollar ($1.00) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1927.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, Que., 27th June, 1927.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of July, 1927, to shareholders of record at the close of business the 9th day of July, 1927.

By order of the Board.
W. H. SMITH,
Secretary-Treasurer.

INTERNATIONAL PAPER COMPANY
New York, N.Y., May 25, 1927.

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the Cumulative 7% Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6% Preferred Stock of this Company, for the current quarter, payable July 15th, 1927, to holders of record at the close of business July 31st, 1927. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President & Treasurer.

We desire to negotiate with a man of character and ability who has been connected with life insurance, real estate or the stock exchange. Must be of good education, having a good personality and looking forward to a real future. Must have an earning capacity of $10,000 per year. If you can qualify with these requirements, apply Box 74, The Financial Post.

Automotive Credit Corporation, Limited

NOTICE TO BONDHOLDERS

Notice is hereby given that the regular half-yearly interest at Three and One-quarter per cent. (3¼%), being at the rate of Six and One-half per cent. (6½%) per annum, will be due and payable on July 1st, 1927, and coupons may be presented at the offices of the Company, 190 St. James Street, Montreal, Quebec, on or after that date.

By order of the Board.
HUGO WELLEIN,
Secretary.

DOMINION TEXTILE COMPANY LIMITED

Notice of Dividend

A Dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of Dominion Textile Company, Limited, has been declared for the quarter ending June 30th, 1927, payable July 15th, to shareholders of record 30th June.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, May 30th, 1927.

STEEL'S CONSOLIDATED LIMITED

Notice to Bondholders

Notice is hereby given that the regular half-yearly interest payment of three per cent., being at the rate of six per cent. per annum, due under First Mortgage and Refunding Gold Bonds of the Company on July 1st, 1927, was paid by voucher mailed from the offices of the Company on 30th June, 1927.

C. H. MacKENZIE,
Secretary-Treasurer,
Steel's Consolidated, Limited.

Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE, TORONTO, JULY 8, 1927 Member of Audit Bureau of Circulations No. 27

Base Metal Mining to West of Sudbury May Bridge Economic Barrier

Bunker Hill Success to be Followed by Large Operations Near Schrieber

TWO BIG GROUPS

Old Zenith Zinc Property Looks Attractive—Pyrrhotite Deposit Seems to be Tremendous

Expansion of the mining industry from Sudbury west promises to play an important part in removing that great economic barrier to the full unity of Canada, stretching across Northwestern Ontario to within striking distance of the Manitoba boundary.

Some mining men are predicting that the next mining boom will take place across this section. They believe that the development of base metals, principally copper, in this old section, which prior to Klondyke rush was worked for gold, will play an important part in this.

This new activity is already under way in a number of places. Principal attention is now focussed on the Sudbury area because of the new discoveries in that section and the development of what promises to be an important lead-zinc operation at Chelmsford, some 12 miles west.

New Discoveries of Late

Because of these discoveries quite a number of prospectors are in the field and they are pushing discoveries to the west. Important interests have been active in the Whiskey Lake section which is north of Massey for some time now and are said to have about rounded out a substantial block of important ground. Samples of ore from the section are rich looking. The Federal Geological Survey made an important report on this section a year or so ago.

Now comes a discovery of magnitude quite a jump further west, to the north of Schreiber. For considerable time there have been efforts put forth to prove up gold operations right at Schrieber. The attention now promises to focus on base metals. One old property which many years ago gave promise of big things and an entirely new discovery in close proximity, indicate attractive possibilities. Work is already under way.

New Corporation in Field

The latest announcement comes from Trans-Canada Development Corp. It is an exploratory effort organized in Toronto and well sponsored. It acquired the old Zenith property which was reported n quite favorably back in 1899. In addition the company has a large pyrrhotite discovery, samples of which taken from surface, show practically solid metallics and which has possibilities of a tremendous tonnage.

Zenith Zinc Mine lies eleven miles north of Selim on the Canadian Pacific. Government reports show that 2,700 tons were shipped from the mine during 1899-1900 and 1901. Smelter returns on these shipments ran 40 to 48% Zinc. There are to-day several hundred tons of this grade piled at the mine and several thousand tons of a grade of from 15 to 20% Zinc ore on the dumps, from which the higher-grade shipping ore was cobbed. There are two shafts 45 and 35 feet deep. Zenith consisted of 160 acres and this holding has been enlarged to 1,600 acres giving three miles on the mineralized zones. There are 18 or 20 surface showings in the group and a gang of men are now at work.

Made 34 Points on International Nickel

The Financial Post has received the following letter from a reader in Saskatchewan:

"Last winter I bought Nickel, after receiving a letter from you at $40, for a long pull. I couldn't resist profit taking and sold out at 74. Quite a neat profit for a few months. I thought this might be of interest to you. I hold Lake Shore, Wright-Hargreaves, Hollinger, Premier and Vipond."

Very little work has been done in the section, although there are many important zinc showings. It is planned to start diamond drilling this month.

The pyrrhotite showing is a recent discovery. There are 800 acres on the group covering two miles of the zone which shows a width of 125 feet wide. It gives commercial values in nickel, and copper and a precious metal content that is interesting. A gang will be started on it at once.

S. J. Fitzgerald, who diamond drilled the Bunker Hill-Chelmsford group and Percy Hopkins, formerly of Victoria Syndicate, have examined the two deposits and are to have a hand in their exploration.

L. Meyer, M.E., reported on the Zenith in 1899 at the time that ore was being shipped to Belgium, and his remarks indicate that he was much taken with the chances of the group.

Other Discoveries

On farther west other new operations are coming to the front. There is much real activity in Woman, Narrow and Red Lakes; North American lead base metal operation and others.

On Eagle Lake, near Vermillion Bay station on the main line of the Canadian Pacific Railway, 55 miles east of Kenora, a large deposit of very high grade soapstone is now being worked and production has been taking place for the past two years. Shipping principally to the sulphate pulp mills for lining their furnaces. It is expected that an increased market will be developed for this soapstone during the current year.

Feldspar Operation

On the Lake of the Woods, south of Kenora, a feldspar and mica deposit has been opened up and there is a possibility of this being operated during this year. This feldspar is classed as a No. 1 spar and could be very well used in connection with the ceramic industry for use in the manufacture of porcelain ware, etc. There are also several other deposits of non-metallics reported in Western Ontario, but none of which are being operated at the present time, including asbestos and slate, both of which are found in the Lake of the Woods district. There are also several other deposits of soapstone which are not now producing, besides numerous deposits of stone suitable for building purposes, a few of which are being operated.

In addition there are numerous persons who are very optimistic in regard the future development of the low grade iron ore deposits.

Western Section

Probably the most interesting non-metallic in Manitoba and one which is rapidly creating a reputation amongst builders and architects is the building stone being produced at Tyndall, Manitoba, a point on the main line of the Canadian Pacific Railway 30 miles north-east of Winnipeg. This stone has been utilized for many years in the Western Provinces and in such buildings as the Parliament Buildings in Winnipeg and Regina, the Law Courts and Bank of Hamilton Building in Winnipeg and many others too numerous to mention, and in latter years has been used as far west as Vancouver and also in the Eastern Provinces, in Quebec, Montreal, Toronto and Ottawa. Very excellent examples of the use of this stone are seen in one of the large store buildings in Montreal and also a very large apartment block. in Quebec in the interior of the St. Roch Cathedral and in Ottawa this stone can be seen in the interior of the Parliament Buildings. This stone is described as a mottled limestone.

Gypsum is being produced on a

(Continued on page 20)

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SHARES OF LEADING MINES SHOW NEW STRENGTH OF LATE

Hollinger Last Week Sold Down to Where Yield Was Over 7%

NICKEL IMPROVES

Summer Season Has Caused Easing—General Outlook Is Good

The mining market has continued to be considerably off color. For some time now trading has centred around the cheaper stocks and the leaders have sagged steadily. The public, during the last few days, seems to have concluded, that at the existing levels, and in view of the good news that is to be expected, many of these issues were cheap. The result has been that accumulation has been going on and an upward trend in price is again in evidence. Hollinger during the past week sold down to 18.15 at which price it gave a yield fractionally above 7 per cent. The market was slow to register any appreciation of the significant remarks at the annual meeting of the McIntyre, but there has been a flurry of buying the last few days.

Favorable to Amulet

Some of the conservation traders are now switching around to view Amulet in a little more favorable light. "Do you know, I believe you can call it a mine now," remarked one of these. The real reason the public has not taken a real liking to the good news from Amulet is because of the market fiasco during the early months of the year. The public was left holding the bag, with large blocks of stock on margin when the plug was pulled. There is fear that this may come again. The February and March rise was on the news of the electrical survey. Present news is of a definite finding of commercial ore on surface and of the diamond drilling of the same.

Argonaut Situation

It is a long time since Argonaut sold around the present levels of below 30. Accumulation is going on and as there cannot be much stock available at present prices and as all the margin accounts must be adjusted by this time, many begin to look on the issue with more favor. The company will reserve $350,000 for development work as a result of the new financing.

Will Nickel Hold?

International Nickel has strengthened back to above 60. Whether or not it will hold this level remains to be seen. One house which figured largely in the June accumulation of "Nickel" stated that temporarily their clients are not buying "Nickel," they are holidaying. This seems about as good an explanation as any of the easing in the market for these shares. Besides for the time being all the good news is out. Sometime in August the sinking of the new Frood shaft should reach a level where definite figures on the high grade section of the deposit should be forthcoming. Pres. J. L. Agnew has refrained from giving out any information on the diamond drill core values, preferring to wait until the body had been opened up to allow for sampling.

Noranda Still Weak

Noranda continues off color. It is difficult to appreciate the attitude that some have taken, that the increasing of the capital 250,000 shares, about $5,000,000, at the present market, and the issuance of perhaps another $2,000,000 in stock in the treasury, was to be regarded as a bearish move. The new stock brings large additional assets in ore reserves and big mine possibilities. Waite's $11,000,000 reserves and Alderson-Mackays $3,000,000, should mine and smelt on a 50 per cent. basis. In other words, they will provide a profit about equal to the present price of the stock increase and in addition there are the chances of big increases in these reserves, especially on the Alderson-Mackay.

Reach Their Level

Huronian Belt stocks have evidently found their level since the recent rather unfavorable news was made public. The public seems to look for Keeley to cut its dividend and bonus from 24c. to 12c. per share, judging from the market. Canadian Lorrain has been weak, selling down to 15, and Pioneer is around 85.

Victoria Syndicate Holds Million Lucky Jim Shares

Mill construction at the Lucky Jim Lead and Zinc company's property is proceeding to R. H. Stewart, M.E., consulting engineer, and W. L. Ziegler, mill expert, are superintending construction.

The mill is expected to be in operation by Fall. It will have a capacity of 200 tons a day, and estimates by mining engineers of the reduction it will effect in freight and milling charges, place the savings at $3.00 a ton, which on a production of 200 tons a day means a gain of $600 a day on freight and milling charges alone. Victoria Syndicate holds 1,000,000 shares in this company.

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Market Value of 10 of Canada's Big Mines Down $88,833,548

Market Valuation of 10 of Canada's Leading Mine Operations $476,678,620

	1927 High	Present Price	Present Value	Decline from 1927 High
Con. Smelters	264	215	$109,007,580	$24,843,588
International Nickel	75	60	100,403,040	27,100,760
Hollinger	22.60	18.15	89,298,000	21,894,000
Lake Shore	21.10	18.50	37,000,000	5,200,000
Noranda	25.00	20.75	41,500,000	8,500,000
Teck-Hughes	8.50	7.60	35,720,000	3,830,000
xWright-Hargreaves	6.60	5.50	30,250,000	6,050,000
McIntyre	27.40	25.00	19,950,000	1,915,200
Dome	10.75	7.25	7,250,000	3,500,000
Nipissing	10.25	5.25	6,300,000	6,000,000
			$476,678,620	$88,833,548

xOn basis of new.

Present Price Level Shows Remarkable Falling Off From High of Year

NICKEL LOSS HEAVIEST

Late in June Shares Reached High so That Heavy Losses Have Piled Up Quickly

Ten of Canada's leading mining securities show a decline in market value of $88,833,548 when the present price level is compared with the high level which they attained sometime during the present year. This is a rather remarkable fall, and applies to practically all the large operating mines of the Dominion with the exception of Premier. Its shares have held stationary around the $2 mark for a couple of years.

The largest decline has been in International Nickel and has been a comparatively recent occurrence, the stock having reached its high of 75 during the third week of June. Since then it sold down to below 57 but recovered somewhat. It is evident that the large buyers of Nickel are out of the market for the time being and large traders in the shares state that it is only the large short interest in New York that has prevented it selling down in to early fifties.

Nickel Ranks Second

The present market valuation of Nickel is just above the $100,000,000 mark and in this it ranks second in market valuation to Consolidated Smelters. The market valuation of this concern is $109,007,000 which is a decline of $24,843,000. At its high price of $264, the market valuation was $133,000,000 of the highest valuation that has been placed on a Canadian mining operation.

Hollinger shares have been quite soft of late and have eased back $21,894,000, the present valuation of $89,000,000 comparing with the high for the year of $111,000,000.

Recent disappointment over Noranda's new financing has been marked by a decline of $8,500,000 in the valuation of that company. The present valuation of $40,500,000 does not include the valuation when the Waite-Montgomery and Alderson payments are made. Thus this valuation of $40,000,000 would be an offset against Noranda's own reserves of $25,000,000.

Nipissing Speculation

Wright Hargreaves and Nipissing are both back $6,000,000 in valuation. The former is down $1.10 for the high on the new shares. Nipissing's decline caused many holders real heartaches as the shares were carried to the high of $10.25 in speculating on the company's new Montbray property. Unlike most of the others, there was and is not real value that will make it almost certain that the shares will climb back to their high or thereabouts sometime. The danger in this stock is that the conservative management might decide that it is not justified in going further with the property. In that case the speculative asset on which the shares were carried up $6,000,000 disappears. In addition the cutting of the dividend in two, helped in the decline.

Wright Hargreaves on the other hand was never looking so well and the assets behind the shares to-day are greater than when they were selling at the high. Since then the operation has picked up the extension of Lake Shore's high grade vein, which they had not found when the shares were selling at $6.60.

Lake Shore's decline is over $5,000,000 of $2.60 per share from the year's high while Teck Hughes, its neighbor to the west, shows a falling off of $3.830,000. Dome is down $3,500,000 which is not surprising, while McIntyre has shown the greatest strength of all and on eliminating Dome and Nipissing, it stands at the lowest valuation by a considerable amount of any of the larger operations.

A table will be found at the top of this column.

High-Grading Gold Ore at Hollinger

Famous Northern Mining Cases Recalled by Recent Porcupine Development

Police of Porcupine camp have seemingly broken up another gang of high graders. Several alleged to be implicated are in the toils. Hollinger mine was the scene of operations and the fact that this mine has rich enough ore to tempt high graders will come as a surprise to those who think the ore runs only $6 to $8. The fact is that Hollinger has some of the highest grade ore found in the north, and it is evidently this that has tempted some of the miners. They are alleged to have carried it out and a farmer reduced it to concentrate form and others took it to Montreal, or were taking it, when arrested.

It is some time now since the north has been stirred by a high grading case of any magnitude. Small cases are constantly springing up. It would be quite interesting to know what sum Hollinger has lost to the high graders over a period of years.

High grading can have a serious effect on the earnings of a mine. This was shown a few years ago when a high grading operation at Kirkland Lake Gold was nipped. This had been going on for a considerable time, and in a systematic way. The amount that was taken regularly, was just enough to make, what would have been a profitable operation, a losing one.

The old Cobalt days were the great ones for the high graders and some famous tales could be told. Millions in silver bullion and high grade silver ore were stolen from the various operations and it was only after the mines spent fabulous sums in detective fees, that the situation was cleaned up. Even to-day there is bound to be a certain amount of high grading in silver, but the recent act of the Ontario government, introduced by Hon. Chas. McCrea, has made it very difficult to sell silver or gold in Ontario. At that, in one of the famous northern Ontario high grading cases, it is said the gold was smuggled across the line regularly and sold in New York.

Britannia Mill Now Handles 4,000 Tons Daily

The main haulage tunnel on the 2,700 level at the Britannia mine has made connection with the mine workings and holed perfectly. The tunnel now is being equipped and connected with ore passes; it will be about six months before it can be used for the transportation of ore. With the tunnel available next winter, the necessity of maintaining 3½ miles of outside railway track free from snow will be eliminated. By slightly increasing the grinding and flotation equipment, the rated capacity of the mill has been increased to 4,000 tons of ore per day; in fact, in a recent trial run 4,136 tons of dry ore was milled in a day. The previous capacity of the plant was 3,300 tons.

SPLIT HARVIE MINING SHARES THIS WEEK

Meeting on Friday to Pass on Deal to Increase Company's Capitalization

Shareholders of Harvie Mining Exploration meet at Montreal on Friday to consider selling the assets to Harvie Mining Co. capitalization 1,000,000 shares, par value $5. The present company is capitalized at 200,000 no par value shares.

If ratified, it is proposed that new shares will be issued on a basis of 5 new for one old.

By this deal also, Archean Mines, the original Harvie operation, will be absorbed, presumably on a share exchange basis, and this will put the four Harvie Mining operations under one company.

RE-ELECT CAPITOL BOARD

Capitol shareholders have re-elected the old board. The company is not operating at present because of the unfavorable silver situation.

HARGREAVES HAS PICKED UP LAKE SHORE'S RICH VEIN

Spectacular Development Has Taken Place on 1,500-ft. Level

ORE IS VERY RICH

Mill Now Handling 600 Tons —Mine is Crammed to Top With Ore

Spectacular developments have recently taken place on Wright Hargreaves in working east of the dyke towards Lake Shore boundary. On the 1500-ft. level, 1000-ft. from Lake Shore line, the company has picked up the eastern extension of the rich high grade Lake Shore vein. Where cut on this level the vein is the full width of the workings and high grade from wall to wall.

This new vein, which is about half way between the north and south veins of Wright Hargreaves, as they exist east of the fault, was first picked up on the 1250-ft level and was cut on other levels below to the 1500. It was at the 1500-ft. level, however, Manager Jas. Grant told the writer, that the high grade first came in.

Evidently there has been a considerable roll to the east and it is anticipated that from 1500-ft. down Wright Hargreaves will continue to get the high grade ore.

Wright Hargreaves new hoist has been shipped and the management is anxious to get it in place and operating. The mine is plugged to the top with ore and will continue to get worse. if anything, until the new hoist is in place.

The mill is now handling 600 tons daily and is likely to maintain this level for some time. When the new hoist is in place the next move to 700 tons daily will likely be launched.

DUPRAT CAPITAL CUT IS APPROVED

Shareholders Authorize Starting Work on New Groups Immediately

QUEBEC. — Duprat shareholders this week gave unanimous approval of the reorganization plans of the directors. The meeting, held at the company's office at Quebec city, was marked by the attendance of over 80 per cent. of the stock, either in person or proxy. The decision to issue new stock on a basis of one new for two old and the announcement of the acquisition of new properties met with approval. The company now has a substantial sum of cash in the treasury and the reorganization will give 2,500,000 shares, which was regarded as an encouraging outlook.

The shareholders agreed that vigorous exploration should be launched immediately on the new 4,000 acre group in Montbray and the 500 acres in Kamiskotia and instructions were given Jos. Houston, consulting engineer, to that end. Mr. Houston has already given these properties careful examination before they were acquired and will map out a campaign of exploration.

The feeling of the shareholders seemed to be that so far they have had an excellent run for their money. The company tried hard to find commercial ore in Duprat township but failed to do so. Operations were carried on quite economically, however, and the large sum of cash still in the treasury, will allow for the launching of work on the new groups without delay.

Cons. Smelters to Spend $250,000 on George Group

Under the terms of option, the George property, Portland Canal, Consolidated Mining and Smelting agree to spend $250,000 and drive a tunnel. In return it gets an option on $17 of the treasury stock and 42 per cent. of the vendors' stock, covering a period of two years. This ties up 93 per cent. of the company's stock during the period the Consolidated will be putting through a vigorous campaign of development.

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NEW FUNDS NOW WITH DEEPER MINE ASSURED ARGONAUT

When New Stock is Taken Up Company Will Have $350,000 Cash

Argonaut Consolidated Mines capitalization is now $5,000,000 and the company is assured of the necessary funds to open up the mine in a large way. Plans to this end include sinking the shaft to 2,000 ft.

Shareholders have ratified in detail the proposals of the directors. The meeting was well attended. There were many questions asked and answered, evidencing a keen interest in the future of the operation. Certificate of rights have already been mailed and it is officially stated that cheques have already been sent in by shareholders. The capital increase places the company in a good position. It will issue 1,166,667 shares at 30 cents. the shareholders having first right to take up one new for each three held and what remains when shareholders needs are taken care of will be taken up by a Toronto syndicate. J. A. Naud, general manager, says this will give the company $350,000 cash. He told the shareholders that although the company did not earn a surplus during that period, good progress was made towards success. The progress of the mine at its present point he said, was ahead of now successful mines in a corresponding period of their existence. He amplified the reports concerning the ore deposits encountered on the 1,125 and 1,250 foot levels. Ore shoot 1,018 alone provided over 30 per cent. of the ore used by the mill during the year. Another ore shoot has been discovered which is of greater proportions than any other so far found on the property, and carries high grade ore averaging $10 to $12 a ton.

The election of directors resulted in the appointment of two new members to represent shareholders from Ontario. The new directors are J. P. Coulson, of Ottawa, and John W. Noble, of St. Catharines. Louis Graton and Wilfrid Duquette retired from the board to permit the election of these new directors. The other members of the board were all re-elected. so that the directorate is now constituted as follows: J. H. Rainville, president; F. A. Labelle, first vice-president; J. A. Naud, second vice-president and general manager; Dr. H. L. Reddy, Lt.-Col. Robert Starke, Avila Raymond, L. H. Dupre, Wilfrid Archambault, J. P. Coulson and John W. Noble.

CASTLE'S NEW ORE IS ABOVE AVERAGE

Pres. J. P. Bickell Says New Discovery on 400-ft. Level Looks Important

An ore stock which gives promise of developments of major importance has been opened up on Castle Trethewey property, Gowganda, shareholders were told at the annual meeting by Pres. J. P. Bickell. The length shown so far, he said, was 80-ft on the 400-foot level and silver was in evidence immediately below it on the 475-foot level. Crosscutting was now under way to intercept it at several depths. The grade had been higher than the average for the mine, he stated. In addition, about 100 feet of average grade ore had been opened up on the 700-foot level from shaft No. 3.

Mr. Bickell pointed out that the average price of silver in 1926 had been 10 cents per ounce lower than the previous year, that the recovery had been lower about three ounces to the ton, that tonnage treated had been up 12 per cent. that costs had averaged 36.6 cents per ounce against 39.8 cents the year before, and that development footage had increased 40 per cent. as compared with the previous year.

Shaft No. 1 had been sunk to 450 feet and crosscutting had been well under way when a break in equipment necessitated delay. Crosscutting would be resumed, however, in about a week.

Replying to a question he said that the production for April and May had amounted to 151,780 ounces and that the June output would probably be between 75,000 and 80,000 ounces.

The by-law providing for the removal of the head office of the company to the mine was ratified, but the annual meeting would still be held at Toronto, according to Mr. Bickell. The board of directors was re-elected as follows: President, J. P. Bickell; vice-president, J. B. Tudhope, with W. J. Sheppard, G. Taylor and S. R. Wickett, directors.

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SINK ON EPLETT

Preparations are being made to sink a shaft on the Eplett-Metcalfe property in Montbray Tp., Quebec.

Hudson's Bay to Appeal Mineral Decision to P. C.

Hudson's Bay Co. has decided to appeal to the Imperial Privy Council, in England, on the question of the ownership of precious metals on the company's lands in northern Canada. The appeal is from a decision of the Supreme Court of Canada given last April, that precious minerals in the lands formerly held by the company and later surrendered by it in exchange for western lands belong to the Crown and not to the company.

B.C. Mining Stocks

Special wire to The Financial Post.

Vancouver Stock Exchange has been very active and strong. Range for week to Tuesday with Tuesday's close, follows:

	Week range		Week close	
	H	L	H	L
Independence	8½	8	8⅝	8¼
Premier	2.12	2.08	2.12	2.10
Porter Idaho	18	16½	18	17½
B. C. Silver	1.70	...	1.75	1.70
Indian	...	...	6½	...

LEBEL LODE PLANS BIG DEVELOPMENT

Will Sink Shaft 500 or 1,000 Feet and Diamond Drills Underground

A comprehensive development plan that should mean much to the Lebel section of Kirkland Lake camp, has been prepared by Lebel Lode. It is to sink to 500-ft. and if found advisable, 1,000 ft. and to diamond drill from stations to the shaft, starting either at the 300-ft. level or lower.

This is outlined in the annual report which shows cash on hand and in bank amounting to $4,441.56 as shown by the balance sheet of Lebel Lode, Ltd., as at May 31, 1927. Mining properties at cost are shown at $518,500, share discounts at $330,430.56, developments at $38,397.65, and overhead at $4,299.78. Issued capital amounted to $891,586, loans and accounts payable to $4,483.96.

President W. J. Post says:

The report of President W. J. Post says, in part:—

"Considerable time was consumed in drilling owing to the extensive fracturing of our rock formation interfering with this operation, but it was this very extensive vein fracturing encountered in drilling which, in such a mining field as Kirkland Lake, contributes to confidence that depth development shall encounter extensive ore bodies when duly opened up by underground development at their proper horizon. This confidence of successful outcome of depth development is strengthened by further proofs established during the year that our vein-fracturing is but an extension of the great ore bearers developed in the area to the west, and to the fact that at these mines it was necessary to get down several hundred feet before these veins afforded consistent commercial ore.

"Your directors have set themselves the task of obtaining funds to cover installation of the necessary plant equipment and machinery wherewith to sink to at least 500 feet depth and if found advisable to continue to a depth of 1,000 feet. It is the intention when a depth of 300 feet or more is attained to set up a diamond drill in the stations, as they are cut in shaft on the way down, and thereby cross-cut our vein-systems at the same time as shaft-sinking is proceeding, for the purpose of continually testing improvement of ore concentrating conditions."

83 Occurrences of Sodium Sulphate in the Dominion

According to the Dominion Department of Mines eighty-three occurrences of sodium sulphate deposits are to be found in Western Canada, principally in Saskatchewan, and an investigation of twenty-one of these shows the presence of over 115,000,000 tons of hydrous salts, mainly sodium sulphate. This commodity is used in Canada in the pulp and paper industry and also in the glass, metallurgical, dye, textile and other industries.

GOING TO B. C.

Prof. J. J. O'Neill, of the consulting geologist's department of McGill University, Montreal, has gone to British Columbia, where he will be engaged during the summer in geological work for the Mond Nickel Co. and the Victoria Syndicate. They have 4 or 5 properties under option.

WATCH TECK THIS MONTH

Teck Hughes will open a new deep level, the 20th, at 2,355-ft. this month and also bring in the other half of the 300 ton new mill unit.

MINING STOCK QUOTATIONS

Week Ending July 5

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close July 5	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana		....	....	60	56	56	800	....	....	75	20
Aconda		....	....	21	19	20	10050	....	....	45	16
Allied M.		....	....	3.23	3.05	3.05	300	....	....	5.51	2.70
Amal. Copper		....	....	4.59	4.23	4.25	1250	....	....	4.59	3.01
Amos		....	....	....	....	....	....	....	....	55	15
Amulet	1	....	....	2.62	2.22	2.45	396200	2.98	.90	2.89	.85
Algonquin	1	....	....	3¼	2⅞	2⅞	9500	6½	1½	5½	2
Apex	1	....	....	....	....	....	....	6	2½	3½	1
Area	1	....	....	50	41	46	152200	1.55	.21	1.95	.25
Argo. Con.	1	....	....	28½	25	27	132225	67	18½	59	25
Atlas	1	....	....	4	3½	3½	20700	5	1⅞	7	2
Archean		....	....	17½	17½	17½	230	....	....	18	17
Ajax	1	....	....	....	....	....	....	....	....	39	6½
Andrean		....	....	19	19	19	500	....	....	22½	15
Bard		....	....	94	60	60	500	....	....	1.59	.50
Baldwin	1	....	....	2½	2	2	30500	6⅞	1	4½	2
Barry Holl.	1	....	....	35	29	29	25500	1.00	.21	1.00	.25
Beaver	1	....	....	1.08	1.01	1.04	10300	.99	.51	1.22	.59½
Bellellen L.	1	....	....	....	....	....	....	23½	20	23½	3½
Bidgood	1	....	....	13	10	10½	15125	9¾	4½	14½	5
Boischatel		....	....	6	4	6	11600	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Buckingham	1	....	....	3½	3½	3½	4500	7¾	2	9½	3⅛
Bunker H.		....	....	91	91	91	20	....	....	1.00	.75½
Calartic		....	....	....	....	....	....	....	....	1.00	.94
Can. Lorrain	1	....	....	15	11¾	14	15415	93	57	72	10
Capitol S.	1	....	....	19	18	19	12200	48½	24	34	15½
Capitol R.		....	....	18	15	17	42800	43	26	54½	12½
Cen. Manitoba	1	....	....	1.52	1.45	1.49	23140	....	....	1.90	1.07
Castle Tre.	1	....	....	85	80	80	18050	1.85	.91	1.27	.80
Chaput H.	1	....	....	8	7½	7½	5200	22	3⅛	13¼	4½
Clifton	1	....	....	1	1	1	250	6½	1	3½	1
Col. Kirk	1	....	....	2½	2	2¼	17200	6¾	2	6	2
Coniagas	5	....	....	3.95	3.75	3.95	400	4.85	3.00	4.40	3.20
Coniaurum	5	....	....	3.25	3.00	3.00	2057	4.60	3.00	3.50	2.80
Cons. Smelter	25	10+5	1.10	230	215	230	12811	265	177¼	264	215
C. W. Dome	1	....	....	7	6	7	46350	29½	14	19	5½
Corona	1	....	....	14½	11	13½	27600	37½	20	37	11
Copper Hill		....	....	57½	56¼	56¼	30100	....	....	57¾	47
Comm. Mines		....	....	1.37	1.25	1.32	7400	....	....	1.50	.71
Crown Res.	1	....	....	12	10	10¼	41300	24⅛	8	15½	7
Coast Copper		....	....	16.25	15.00	16.25	205	....	....	22.00	15.00
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor		....	....	....	....	....	....	41	40	43	40
Dorion		....	....	....	....	....	....	....	....	4.00	3.00
Dome Mines	None	$1	13.79	7.50	7.15	7.25	1590	20.00	8.00	10.85	6.85
Don Rouyn	1	....	....	30	20	26	135950	61	25	56½	17½
Duprat	1	....	....	8½	7¼	7½	91950	35½	8½	34½	7¼
Dubec		....	....	1.04½	1.00	1.02	21875	....	....	1.05	.85
Dom. Lead		....	....	1.45	1.38	1.42	14750	....	....	1.45	1.05
D. Kirk		....	....	....	....	....	....	....	....	2¾	1½
Dunwell		....	....	....	....	....	....	....	....	1.51	1.50
Eastern Metal		....	....	11.75	10.00	11.00	760	....	....	11.75	10 00
Everett	1	....	....	2½	2½	2½	1000	12¼	3¾	5½	2¼
Fiske		....	....	9	9	9	1500	16	12	30½	5
Fisher, Que.	1	....	....	53	50	53	3500	....	....	85	50
Goldale	1	....	....	27	23	25½	74850	43	24	30	20
Gold Hill	1	....	....	30	26	26	36100	73½	25	54	26
Gold Reef	1	....	....	1	1	1	5000	5	1	2½	1
Gifford	1	....	....	....	....	....	....	....	....	1¾	1
Gladstone	10	....	....	....	....	....	....	....	....	29	26½
Grover Daley	1	....	....	10½	9¾	10	48700	32	18	37	9½
Gold Ore		....	....	1.20	1.11	1.15	3800	....	....	1.20	.90
Harvie Exp.	None	...	....	14.50	14.00	14.00	4155	....	....	16.10	12.00
Hillcrest	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.23	....	....	....	....	83	79½	87	84
Hill Top	1	....	....	13	11	13	41000	31¼	20	24	10
Hollinger	5	26	7.02	18.75	18.05	18.50	10172	21.00	16.75	22.65	18.05
Howey Gold	1	....	....	66	60¼	60¼	4100	....	....	75	42
Huron		....	....	....	....	....	....	....	....	1.09	1.02
Holyrex		....	....	5½	5½	5½	1900	....	....	5½	5½
Indian	1	....	....	....	....	....	....	14½	2¾	11	4
Int. Nickel, c.	$25	$2	3.22	62	55	61¾	49012	46	32½	75	38
Jay Copper		....	....	....	....	....	....	1.10	.73	1.26	1.04
Keeley	1	24	23.76	1.12	1.00	1.01	28420	1.90	1.39	1.66	1.00
Keora Mines	1	....	....	3½	3	3	1050	22	11	12½	3
Kirk. Hunt	1	....	....	16	14½	14½	37950	34	8½	35	14
Kirk. Lake	1	....	....	1.40	1.29	1.33	44650	1.44	.69	1.54	.82
Kamisko		....	....	9.75	9.00	9.37	400	....	....	9.75	7.62
Lake Shore	1	40+10	2.64	19.25	18.35	18.90	5608	16.15	9.50	21.10	15.40
Lakeside L.	1	....	....	1¼	1	1⅛	17300	10	1⅛	6	1
Laval	1	....	....	22¼	20	21	78500	45¼	21	55	19½
La Rose	1	....	....	4	3½	4	424	39	4	12	3½
Lorrain, C.	1	....	....	1⅞	1¼	1¼	5000	15	2	3¼	1½
Lorrain T.L.	1	....	....	80	77	80	1800	1.10	.30	.86	.25
Mentor		....	....	12.25	12.25	12.25	100	....	....	12.25	12.00
McDougall		....	....	40	35	36	27900	....	....	50	17
Marclay	1	....	....	....	....	....	....	35	30	42	34½
M'tchatell		....	....	40	35	35	59900	....	....	40	30
Macassa	1	....	....	21	20½	20¾	9900	43	25	37	19½
McKinley	1	....	....	15½	15	15	6600	26	8½	18	11
McIntyre	5	20	3.87	26.00	24.75	25.80	4905	29.75	22.70	27.50	24.00
Millcrest	1	....	....	7½	5½	6¼	63000	21½	3½	6½	4
Mining Corp.	5	25	8.30	3.12	3.01	3.07	7075	4.45	2.60	3.65	2.90
Moneta	1	....	....	....	....	....	....	18	11	14	8¼
Montreal Rouyn	1	....	....	14	10	12	15000	60	13	33	10
N. A. Dev.		....	....	1.40	1.10	1.10	15050	....	....	2.10	1.00
N. A. Lead		....	....	2.00	1.00	1.50	4200	1.75	1.50	2.75	1.00
Noranda	None	...	....	21.50	20.50	20.60	19370	24.75	12.00	25.00	19.95
Newray	1	....	....	30½	30½	30½	500	45	31	34	28
Night Hawk	1	....	....	7	6	7	8400	17	3¾	10½	4½
Nipissing	5	6	5.12	5.90	5.70	5.85	2375	9.25	4.95	10.30	5.35
Ontario L.C.		....	....	1.25	1.22	1.23	2200	....	....	1.25	1.03
Ophir	1	....	....	1½	1½	1½	5000	4¼	½	4⅛	1
Osisko		....	....	.43	.40	.40	4600	1.94	1.05	1.75	.40
P. L. Cobalt	1	....	....	5	4	5	4250	32	14½	18	3½
Porc. Crown	1	....	....	5	4	5	13500	12	4	11	4
Prec. Metal		....	....	21.00	20.50	21.00	1690	....	....	21.00	20.00
Pioneer	1	....	....	.98	.85	.85	25600	1.22	.66	1.18	.85
Premier Gold	1	32	14.86	2.15	2.03	2.15	25675	2.75	1.83	230.	1.86
Preston	1	....	....	3¾	3¾	3¾	10300	9⅞	4	6	3
Potter Doal		....	....	21	18½	18½	32600	....	....	65	17
Power & Mines		....	....	....	....	....	....	....	....	1.70	.75
Rouyn	1	....	....	1½	1	1	3100	9	1⅞	5	1
Rouyn, Que.	1	....	....	2	1	1	5500	4½	1¼	4⅛	1
Ribago	1	....	....	31	28	28½	43750	....	....	87	13
Siscoe		....	....	....	....	....	....	....	....	25	12
South Keora	1	....	....	10	10	10	2000	35½	5	64½	6½
Stadacona	None	..	....	21¼	19	20	96900	51	40	55	15
St. Anthony		....	....	27	26½	26½	2500	....	....	37	10
Sylvanite	1	....	....	3.75	3.65	3.65	5000	....	....	4.30	2.60
St. Law. Zinc		....	....	82	79	82	1000	....	....	82	72
Trojan		....	....	6.25	4.95	5.85	1525	....	....	6.25	4.00
Teck Hughes	1	10	1.26	7.90	7.40	7.90	49459	5.55	2.65	8.10	5.35
Timiskaming	1	....	....	....	....	....	....	15¼	6	7	5
Thomp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	40¼	36	36	78200	66	36	62½	36
Towagmac	1	....	....	3.80	3.60	3.65	9547	6.10	3.15	5.75	2.85
United Cop.		....	....	5.32	4.75	4.75	9550	....	....	5.32	3.10
Vic. Silver	1	....	....	4	3¼	3¼	13200	96	3⅛	14	3¼
Vickers	1	....	....	40	40	40	300	1.22	.13	1.52	.35
Vipond	1	....	....	.85	.82	.82	26125	2.02	1.49	1.75	.82
Wakenda	1	....	....	....	....	....	....	2¾	1	5	2
Wasapika	1	....	....	....	....	....	....	4	1	2	1
West Tree	1	....	....	....	....	....	....	4	2	4	2
Wettlaufer	1	....	....	3¼	3¼	3¼	2000	10	2	4¾	2
Wright Har.	None	20c	3.63	5.60	5.50	5.55	14885	....	....	6.65	5.50
Vac. Gas		....	....	13½	12	13	12000	....	....	26	3
West Dome Lake		....	....	13½	13	13	8000	....	....	13½	13

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When investors are holidaying and the market is inactive, remember that the mines are ceaselessly working twenty-four hours a day, building up assets both in cash and in ore.
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—Gratifying News—
THE find of 10 structures on Block Number I of Fiske Gold Mines Limited has taken on a new significance as a result of the impressive finds on the immediately adjacent Don Rouyn property where an ore zone of magnitude has been proven.
It has been definitely established that the Fiske Structures are a continuation of the ore zone located and proven at depth on this adjacent property, and Fiske work is being energetically advanced.
It should be remembered that samples of ore blasted from this Fiske find assayed approximately 30 per cent pure copper—on a par with Noranda's best.
We believe that Fiske's aggressive field operations and excellent showings — especially on Block I — merit your keenest investment interest at this time.
For prompt news, write
41-42 Carleton Chambers, Ottawa

Mining Inquiries

Two prospects

Are shares of Amos Copper and Bowke Red Lake good seasonable speculations?

Both stocks are speculations, having prospects, one in Quebec and the other in Red Lake under exploration.

Two Gambles

What would you say of Chaput Hughes at 9c. and Baldwin at 2 cents?

Chaput Hughes and Baldwin are pure gambles as the present price indicates. Most of the better stocks possess interesting possibilities.

Jay Copper

Have holders of Jay Copper a good chance?

Jay Copper looks like a speculation, in which a person would get a fair run for his money. The company is making a good effort to find a mine.

Destor Mines

I have shares in Destor Mines, bought at 42½. They came to me as a guarantee. Have they a chance?

Destor Mines has been favorably reported on by John Dresser, Montreal engineer, and it looks like a fair speculation.

Premier Gold

Can Premier Mines continue to pay such a high dividend?

Premier Gold shares are giving an attractive yield, paying 32c per share per year. The company has a good property and may figure in an amalgamation that would add materially to its life.

Will Noranda go Lower?

Do you think Noranda shares will sell lower?

Noranda has excellent speculative possibilities. The shares have sold down $3 a share of late. Some think they will go lower. This is to be doubted by many authorities. It should produce in the fall.

Lake Matachewan

Could you give me the address of Lake Matachewan Gold head office? How about Better 'Ole?

Lake Matachewan shares are exchangeable into Bloom Lake Consolidated. Write Dixon & Co., Northern Ontario Bldg., Toronto. Better Ole Mining Co. is a concern that never stood out strongly. It has not done anything for some time.

Work in the North

What are the chances for work in Northern Ontario: plumbers, millwrights and machinsts?

There is a steady growth going on throughout the North. New camps are springing up and established ones expanding, creating a great deal of work for craftsmen as well as miners. We are not posted, however, on the available supply in these lines. This is difficult to judge.

Nipissing

What do you think of Nipissing around $6.00?

Since you sent in your inquiry Nipissing has fluctuated widely down to below $5 and now around $6.30. The drop came when the dividend was cut and the rise now is in anticipation of good results in Northay, Que. It is difficult to size up the market, but the general feeling is that large market commitments with the summer season at hand are unwise.

$1,000 to $5,000 for Mines

I have $1,000 to $5,000 to invest. I have in mind some good mines. Noranda, Premier, Howey, Hollinger, Teck-Hughes, What do you think?

With the exceptions of Dome and Keeley, you will find all the leading dividend paying mining shares attractive and offering good possibilities. Hollinger, McIntyre of Porcupine, Teck Hughes, Lake Shore, Wright Hargreaves, of Kirkland Lake, and International Nickel are instances. Howey is a speculation that is in good hands, and if you were fortified with a good holding of the better stocks, you would be justified in taking on some of this. On towards the end of the summer is generally looked upon as the proper time for market commitments, in preparation for the fall market.

Walsh-Katrine

What is the approximate market for Walsh Katrine?

There is no established market price for shares of Walsh-Katrine. The stock is not listed. Dealers in unlisted mine shares in Toronto say the shares are being offered here at 11 cents, with practically no bidding.

Patricia Gold

What do you think of Patricia Syndicate, $10 per units. Would you favor units as against stocks?

Patricia Gold is a syndicate which recently appeared in Montreal. We are not in favor of this method of operation. There were a number of syndicates floated in connection with the Red Lake camp and the public suffered.

Rebago

What is the situation in Rebago? Did the vendors sell their stock?

Ribago mine shares have been quite active of late in what appears to be a supported market. We are given to understand that the vendors of the properties—who took shares for their holdings have pooled their unsold shares. For how long we were unable to learn.

Bunker Hill Sullivan

Who are the people to get in touch with to see equipment for the Bunker Hill Sudbury development?

Bunker Hill Sullivan head office, is at 1022 Crocker Bldg., San Francisco. Their Sudbury operation is in the hands of a subsidiary Treadwell-Yukon, same address. F. W. Bradley is president of Bunker Hill and the man to get in touch with.

Foothills Oil and Gas

What do you think of Foothills Oil and Gas shares?

Foothills oil and gas, operating in Alberta, is an Imperial Oil subsidiary. It looks like an ideal oil gamble. In selecting such a class of speculation there is only one guiding factor—who is behind it. In this case the speculator is assured a good run for money put up which is about all that one can expect.

Elizabeth Gold

Do you ever hear of a mine Elizabeth Gold Mines, and Wilshire Cons. Mines? The latter of California.

Elizabeth Gold mines took hold of an old N.W. Ontario mining venture a couple of years ago, and seems to have subsequently died.

Wilshire Cons. California, being a U.S. concern, is out of our line. We find it difficult to keep posted on such companies. Weed's handbook of U.S. mining companies lists Consolidated Wilshire Mining Co., address, Gaylord Wilshire, 416 W. 8th street, Los Angeles, Cal. This is a holding company.

Broker Optimistic

I hear from my broker that Don Rouyn recently encountered the main vein of Noranda and that they have proved up $4,000,000 in ore. Can you confirm this?

Engineering authorities on the Quebec field think your broker perhaps a little optimistic in saying Don Rouyn has picked up Noranda's Main Vein. Noranda has no veins. Its ore is in large bodies like kidneys which are erratic in shape and occurence. These have been found in contact with a dyke that cuts through the property North to South.

Don Rouyn's property is on the west. They have done considerable drilling and other exploring work in hunting for ore. We have never heard any claim of such an ore reserve for Don Rouyn. The market price of the shares would discredit this.

Good Mine Issues

I hold 125 shares of Premier and 10 Int. Nickel. Will I sell or hold? How about the chances of other leading mines?

If you can afford to carry your nickel for a year or so—ignoring meanwhile the ups and downs of the market, the best opinion is that you will make an excellent profit. W. Hargreaves, Lake Shore, Hollinger, McIntyre and Teck Hughes are attractive. Premier may figure in a merger that will add materially to the life of the venture.

All the stocks mentioned have good speculative possibilities, and at the same time are divided payers.

Cobalt Contact

A friend in Scotland wants to know about Cobalt Contact. They want him to pool his stock prior to listing the issue. He understands that the bulk of the shares in Canada are already pooled.

One would not call Cobalt contact shares an investment. It is a speculative issue. The company has been doing fairly well, but this is a silver venture and the outlook for the silver market is so obscure that it is difficult to see what way to jump.

Pooling is a matter of choice. If he is out to wait for dividends, it would do him no harm. If he wanted to sell, however, he would find it difficult if he pooled.

Quebec Stocks Easy

A client has Amulet, Abana, Osisko, Gold Hall, Copper Hill, Rouyn. Which are promising?

We are not particularly enamored with the Quebec share market at present, but the outlook is that there may be an active market in the fall. The present market savors too much of manipulation. Amulet is hard to figure out. Some say it will go much higher. Others are positive that it is much too high and will sell off.

Abana and Osisko both have speculative possibilities that make them look fair. The same with Gold Hill. The other two are prospects only.

Noranda

Does Noranda belong to the speculative class? How about Cosmos and Int. Paper?

Some leading brokers seem to think that Noranda will sell lower. There is the chance, however, that the stock rights on the new shares may repair the slight slackening that has taken place in the public confidence. The company will come into production in the fall, and possesses attractive speculative possibilities.

Cosmos is well regarded and our Montreal man, who is an authority on paper stocks, suggests that it would be better to wait for a while on International Paper.

PIONEER HAS FOUR IMPORTANT GROUPS

Michipocaten Operation Ranks Ahead of Others—Diamond Drilling Jubilee Vein

Dr. J. Mackintosh Bell, managing director of Pioneer Corporation, told shareholders that the surface indications on Jubilee vein on its Michipicoten property promised bigger things than the Minto vein which has been developed. The Jubilee vein is being diamond drilled. The company has over a mile of the vein. Five drill holes have given values of $8.25 over a width of 22-ft. Drilling to intersect the vein both along the strike and dip will be carried on. Nineteen holes have been put down all told so far, and none have been blank. On the Cooper block one vein has been stripped 230 feet. Of the length, 90 feet gave $10 over 38 inches, and 110 feet, $23 over 32 inches. These properties are owned by Cooper Gold Mines, Ltd., which is capitalized at $2,000,000, of which Pioneer, when its options are completed, will own 1,882,394 shares, or approximately share for share of its own issued capital. Pioneer owns 1,375,000 shares, which have cost $303,000 and its further options are on 507.934 shares at $292,594, the latter money to be used in development work. Pioneer is interested jointly with Huronian Belt in a number of adjoining claims.

Dr. Bell ranked Clearwater Lake as the second important operation. The showing on the Macauley group is trenched for 500 feet. Assays over the 350 feet to the south give $6.25 over 28 feet, or if one low trench is omitted $7 over 26 feet. Further south the zone disappears into swampy ground for 500 feet. This portion will be diamond drilled without delay.

The company's Gaspe lead-zinc properties, Dr. Bell said, are now being prospected from the surface, underground work having been discontinued in order that a full staff be turned on surface work during the short summer season. Prior to discontinuing cross-cutting, a vein was cut in the tunnel, giving 37 per cent. zinc and 2 per cent. copper over 4½ feet. This bore out the general theory of depth enrichment in that area. An earlier intersection at a depth of 120 feet gave 12.61% of zinc and 1.36% lead over the same width.

The company has recently optioned 18 claims in Lebel Tp., Kirkland Lake.

DEEP WORKINGS IN S. LORRAIN

Mining Corporation is now developing ore on the 1,425-ft. level of its South Lorrain property. This is one of the deepest silver workings in the north.

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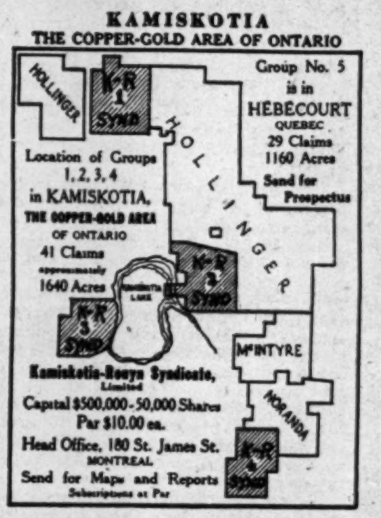
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K-R 1 SYND
HOLLINGER
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Location of Groups 1, 2, 3, 4 in KAMISKOTIA, THE COPPER-GOLD AREA OF ONTARIO 41 Claims approximately 1640 Acres
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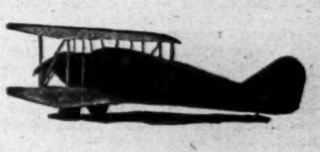

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FISKE HOLDERS GIVEN DETAILS OF LATE EXPLORATION

Company's Engineer Outlines Work Being Done on Various Groups

Fiske Gold Mines directors, at the recent annual meeting, decided that shareholders should be regularly informed of the work being done on the company's property and already the first report from the company's engineer, Edward Orser, has been sent out. It details the active effort being made to open up commercial ore deposits. The report:

A fire swept through the bush west of Rouyn but providentially split around our No. 1 Group and ran on each side. The rains of the last week put out all existing fire. All of our camps are safe at this date.

The Nipissing Central Railway location passes south of our No. 1 group along the Chiminis road and is being cleared at this time. Contractors are busy cutting right-of-way and burning the slash. This location will give us steel connection a half mile from our southern boundary.

Group No. 1

I suspended work upon 10 shear zone and have concentrated all labor on No. 2 from which the samples of chalcopyrite were obtained that were shown at the Annual Meeting. The uncovering of the rock surface in this area is going to be a lot more difficult than at first supposed as the overburden of clays and muskeg increases toward the west along the strike of the band. The showing is on the knoll that falls away into low ground. This makes for slow trenching. Six men are employed and we are arranging for more.

Assay of the chalcopyrite shows no gold content. The work done upon No. 10 shear zone has proven that this is a pronounced structure of considerable extent. It has been traced by trenching now from the 1,200 foot survey line to near the 3,000 foot line and it would appear that No. 8 and No. 10 are the same. I have taken an assay for gold at one point but the result was negative. The shear zone is well mineralized with sulphides and requires opening up with rock work to determine its value. Lying as it does in the centre of our group it presents a favorable operating location if values can be had along it.

Group III

We have completed trenching and stripping on the northwest quarter of Claim No. 319 for the present. So far this month some 800 feet of trench have been dug which makes a total of about 1,600 feet to date in this area. Our work has shown the existence of many flat lying quartz veins in the lava flows and one shear zone which strikes in an east and west direction. No rock work has been possible as yet, and the importance of these finds can not be estimated until they are ready for assay. Four men were employed here until the 7th of the month, at which time I was forced to discharge three as undesirable. The force at this camp will be kept to two men doing general prospecting.

Camp VI

Trenching and stripping upon this claim has indicated the presence of two series of quartz veins which are probably of different ages.

(1) The older and most numerous, following the bedding planes of the volcanic tuffs. In character they are irregular in width and length, of white quartz with occasional amounts of disseminated sulphides of iron and copper. Patches of this quartz showing on surface give the impression of having a large width, but we have proven by our trenching that this is misleading and surface exposures are shallow layers and sheets leading to narrower veins which dip at about 65 degrees to the north with the surrounding rocks. Assays do not show any gold content in sections taken to date. Other sample sections are being prepared.

(2) A younger series of veins which intrudes the volcanic rocks at various angles and dips. One such structure has been traced for about 100 feet and has a width at the maximum of 18 inches. These have just been found and no assay information is as yet available as fresh surfaces have to be drilled and blasted for sampling.

Trenching and stripping has been started this month upon the lower claim No. 344 and 700 feet have been dug. This work is in the sediments which are greywacke and conglomerate. This is the same class of formation that the Grenada are working and our results as regards vein structures are encouraging. We have uncovered a large band of blue quartz which in places is twenty feet wide. This follows the strike of the sedimentary rocks, conforming to their dip which is to the north at approximately 70 degrees. Copper and iron sulphides have been found through different outcrops. From what can be seen at this date they appear to be extensive and our trenching has shown quartz of this nature in length over 400 feet between the 800 foot and the 1,200 foot survey lines. Work is now underway to prove this extension. Sampling will be done this month along the exposed portions of the vein.

Four men are employed at this camp.

Group IV

Two men are engaged in prospecting upon this group and we have picked up a band of ryholite southwest of the camp by cross trenching. Systematic trenching is underway. There are several blue quartz veins carrying sulphides.

Drilling of Osisko Has Been Satisfactory

That while it is somewhat unsafe to base an opinion on one drill hole, yet the results obtained in the diamond drilling operations on the northwest part of Osisko's E. Gamble claim near the Noranda boundary has been generally favorable, according to an interim report made recently by T. Lindsley, director. This hole had already reached a depth of 1,900 feet and it is planned to continue to 2,300 feet if possible. The change in dip with depth was from 80 degrees at the top to 5 degrees at 95 feet.

The technical details of the formations encountered by a general inspection of the core are as follows: 0-120 feet, casing; 120-1,300 feet, a fine grained massive basic rock closely associated with the keewatin series which has been intersected at a few points by narrow dykes of syenite porphyry; 1,300-1,613, a highly altered phase of the above "basic" with increasing silification, fine banding and pyritization down to 1,613 feet; 1,613-1,645, a carbonated sheared rhyolite intrusion slightly pyritized; 1,645-1,950, a highly altered "basic" showing decreasing amounts of silification and pyritization with increasing depth.

BASE METAL MINING TO WEST OF SUDBURY MAY BRIDGE BARRIER

(Continued from page 17)

large scale in the northern part of the province and is used in the manufacture of wall-board and cement in the City of Winnipeg.

Large occurrences of lithium minerals are found in the eastern part of Manitoba, and it is stated that Manitoba is one of the largest sources of supply of these minerals in the world. A certain amount of production has now taken place and shipments have been made of the crude ore to Germany and also to the United States. There are many uses for lithium ores, some of which are in the glass industry, where they are used in the manufacture of aniline dyes.

A very good quality of moulding sand has lately been produced at Melbourne, Manitoba, and has been shipped to Calgary, Alberta, Trail, British Columbia and also to Winnipeg. There are also several other deposits of moulding sand in the province, some of which are producing.

There are a great many deposits of clays in Manitoba suitable for the manufacture of common brick and also deposits of clays suitable for the manufacture of face brick and tile, and many of these deposits are now being operated.

Sand suitable for the manufacture of glass is found on one of the Islands of Lake Winnipeg, but there has been no production as yet.

Other non-metallics found in the province, but of which there is no production at the present time owing more particularly to inaccessibility to transportation, are ochre, amber, kaolin, peat and salt.

HOWEY WILL OPEN THREE MINE LEVELS DOWN TO 500-FT.

Plan is to Sink Shaft All Way Before Starting Lateral Work

It will likely be some time in the fall before there will be any real new development news on Howey Gold Mines. This is the intimation which J. E. Hammell, president, gives shareholders in a progress report. He says it is the intention to drive the shaft through to 500-ft. and then launch lateral work and three lures simultaneously. The report:

"We were somewhat delayed in transporting to the mine the plant and equipment and supplies on account of the unusually early break up this spring but the construction of the plant and camp consisting of power house, assay office, blacksmith shop, office store house, cook camp, two bunk houses, ice house and manager's house, have now been completed for some time. All the plant and equipment has been installed and is running smoothly. We have at the mine, supplies, dynamite and wood sufficient for a year's operations. We are in splendid shape to operate efficiently and we have reasonably comfortable facilities for our men.

We are at present time engaged in the work of sinking our three-compartment seventeen by seven shaft which is now down below the 125 feet level where a station has been cut and we are continuing the sinking of the shaft without stopping to cross-cut to the ore body. It is our present intention to complete the shaft as quickly as possible to a total depth of 535 feet cutting stations at the 250 feet, 375 feet and 500 feet levels and providing also for a 35 feet sump below the 500 feet level to take care of any surplus water we may encounter. Upon the completion of the shaft we will cross-cut to the ore body on all four levels and commence drifting on the ore body in both directions on all levels. We believe this to be the most economical way of developing your property.

After careful examination of the property and all the data in our possession respecting the same, we located our shaft on high ground some twenty-five feet north of the ore body and on the foot wall side of the same. In doing so we hoped to forestall any possible chance of trouble from surface water. The shaft will, therefore, not cut the ore body at any time, as the deeper the shaft is sunk the farther it is from the ore body.

The annual meeting of the Company was held on the 12th day of April last and the ordinary business having been transacted thereat it was adjourned to be convened again at the call of the President to receive the report of Mr. Horace G. Young, the Mine Manager. It was suggested that the adjourned meeting might be held in June as we expected that Mr. Young would be in Toronto at that time, but when Mr. Young was in Toronto a few days ago he thought it would be wise to delay the holding of such adjourned meeting until we had opened up the ore body on the various levels when there would be something definite to report. I thoroughly agreed with Mr. Young in this, but in the meantime I wish to assure you that the development work at the mine is being carried on expeditiously by experienced miners and from now on we should have no expense apart from pay-rolls in the actual mining operations. It is probably unnecessary to state that we have sufficient moneys in the treasury of the Company to provide for all necessary work on the property up to the erection of a mill.

Three Big Companies Are Busy in Kamiskotia

Shaft-sinking operations on Hollinger Kamiskotia options have been temporarily discontinued while a head frame is being erected. The shaft is down 15 feet, but greater speed is anticipated when sinkng operations are resumed. Noranda and McIntyre are both engaged in surface exploration on their Kamiskotia holdings and, despite the restrictions placed upon the district by the Department of Lands and Forests, a large number of claim holders are doing their assessment work.

NEXT 3 MOS. WILL BE IMPORTANT FOR McINTYRE

Twenty New Levels Will be Opened and Platte Vet Drilled

During the next three months McIntyre Porcupine Mines will connect up 22 new levels with the new deep shaft. R. J. Enis, manager, told shareholders at their annual meeting Mr. Enis was quite optimistic in regards the outlook, particularly to the east. It was on the old Schumacher claims to the east of the Hollinger that Hollinger found its richest ore. After this, McIntyre outbid Hollinger for the Plane Veteran lot, which adjoins the Schumacher on the North. Mr. Enis said that in 3 or 4 months he expected that they would be developing the Platte at depth and he was most hopeful of results in that area.

Mr. Enis said that the lower extension of the No. 14 vein had already been opened up for 110 feet on the 2,375-foot level besides 900 feet at the 1,875-foot level, and that, with $10 ore obtained, its values were just as high at the greater depth. During the new developments nothing whatever of a disappointing nature had occurred. Geological conditions had been exactly as expected and at the 4,131-foot level, at the bottom of the shaft, the temperature was not excessive and working conditions were good. A great deal of time had been taken up in sinking and developing the new No. 11 shaft. Haulage ways had been completed between No. 6 and No. 11 shafts, a distance of 2,500 feet; at 1,875 feet depth and 2,375 feet depth, while the haulage way at 2,800 feet was within 600 feet of the No. 11 shaft. At 1,875 and 2,375 feet the workings had been carried on into Plenaurum ground. Drilling in the eastern sections was under way and would be started shortly at the Platt Veteran group.

In 90 days, the management calculated, the new shaft would be in operation, when cross-cutting at the "favorable ore zone 500 feet away would be pursued intensively." Twenty stations had been built.

President J. P. Bickell said that expenditures on plant and equipment had amounted to $519,775, of which $325,441 was in connection with the No. 11 shaft. The reduction in average costs had been greater than anticipated, having been lowered from $4.60 per ton to $4.15. In view of the limited hoisting facilities, the increase of over $1,000,000 in ore reserves was regarded as gratifying.

DISREGARD RESULTS OF ELECTRIC SURVEY

This is Advice of Don Rouyn Engineer in Progress Report

Don Rouyn Gold Mines, has just received a report from Julius M. Cohen, its engineer, on the work done on the property. It is to be noted that it does not mention the picking up of the extension of the Noranda "vein," as one Financial Post reader says his broker told him had been accomplished and which had already proven up $4,000,000 in one reserves.

The report, however, does outline some rather interesting situations. It reveals that the company does not put any stock in the Electrical Sanky made on that property. In discussing diamond drilling Mr. Cohen says two holes were put down at points designated by the Electrical Survey, and they showed nothing while the final line of the report says the Electrical Survey information can now be disregarded.

The report:

The indicated ore zone, which runs in an easterly and westerly direction, was cross trenched by a series of trenches beginning east of the shaft and extending to the eastward at intervals of 150 feet. These trenches were started near the northern limit of the ore zone and carried to the south as far as the topographical conditions of the ground would allow. All trenches were blasted out to a depth of three feet.

Disseminated chalcopyrite was found in all of these trenches and these, in addition to what trenching had already been done, indicate the presence of a very large ore zone. The size is apparently 1,200 feet in length and over 400 feet in width. While the indications are that this zone is what is commonly called Low Grade, it is of great interest to note the net tonnage that a body this size would give. Taking the rock as 12 cubic feet to the ton, there would be 40,000 tons of ore for each foot in depth, or 4,000,000 tons for each 100 feet in depth. As the diamond drilling has already shown that this same type of ore is found at depths greater than 250 feet, it is very apparent what great potential possibilities this property has.

Additional trenches were put in to the south, these were also blasted out to a depth of three feet; and chalcopyrite was found in these, with the only exception being at that point designated as "good ground" by the Electrical Survey.

Shaft Down 29 Feet

A contract was let to sink a shaft 7 feet by 9 feet. It is being sunk vertically and is now down to a depth of 29 feet.

A high grade vein, which shows large masses of chalcopyrite on the surface, at this point, has now widened out, so that in the bottom of the shaft it is across the full width and length of the shaft. While the chalcopyrite is not as massive at this depth as is shown at the surface, still it can be plainly seen, in fair amounts, all through the rock. Samples taken from the bottom of the shaft have been sent to Montreal for assay, but the results have not yet been obtained.

It is the intent to sink this shaft to a depth of approximately 75 feet, in order to prove up the grade of ore here, and to note the various geological features which may show. There has been no change between the surface and the present depth, and no apparent reason why this ore should not continue.

Diamond Drilling

Diamond Drill Hole No. 9 was put down at an angle of 30 degrees. Some chalcopyrite can be seen in the core at various points and one section of 25 feet, from 175 o 200, was split and sent for assay.

Diamond Drill Holes Nos. 10 and 11, were put down under points designated in the Electrical Survey, and as previously stated, regarding trenching, the cores showed nothing of interest.

Diamond Drill Hole No. 13 is now being put down to the east and under some of the trenches which show chalcopyrite and which have already been described. It is the intention to prove, as far as possible, the downward extension of the ore zone already shown on the surface, and further diamond drilling will be done at various points, with this idea in mind.

Conclusions

The surface work and diamond drilling have shown the presence of a very large ore zone with great potential possibilities.

Additional work will be done to show the limits of this zone and an attempt will be made to open it up sufficently, so that the average value and content of copper, gold and slver may be definitely determined.

The information obtained from the Electrical Survey can be disregarded.

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Financing the Dominion

The Modus Operandi of Government Finance, the Financial Position of the Dominion and Some Observations on National Finance

By RIELLE THOMSON.

"Tax Reduction and Debt Reduction."

Second of two Articles:

It is well worth while in any consideration of government finance to note any weakness in the present system. Not in any spirit of criticism — for the Dominion's financing is, broadly speaking, carried out efficiently — but more in the spirit of a scientist who questions everything in order that he may first learn the facts and finally "choose a more excellent way."

Finance is the most important part of governmental policies, yet it is the one part of the government's activities which is least understood by the voter. The average man on the street is willing enough to talk about tariff, taxation and nothing delights him more than to discuss the government's railway policies. But financial matters, despite their importance, hold for rule, of interest because as a general rule of them he is entirely ignorant.

Because of this a primary need in governmental finance is a simplification of its accounts. Governmental accounts cannot be represented in quite the same fashion as those of private corporations. For one reason, capital expenditures play an important part in the national accounts, whereas in private corporations, capital expenditure hardly plays a prominent part in the year to year picture.

Why Not Readable Statements?

One solution of the problem of bringing home to the man in the street the financial position of the government might be the annual preparation of a condensed balance sheet and income account which could be distributed to the press. Such a condensed statement of financial affairs could be drawn up so that it would be understandable to the average boy, say, of 14. It might perchance be understood by 25 per cent. of the voters.

At the present time the department of finance turns out its annual blue book known as the public accounts, which contains the figures in a form that most people could understand, but, unfortunately, surrounding all blue books there is a mysterious aura which frightens the reader and makes him close the book almost before he had opened it. This aura surrounds the public accounts as it does all other blue books, with the consequence that it is a document which never really gets home to what many regard as the poor old public.

Where to Save Money

While economy in controllable expenditure is right and proper, yet the chief point at which economy should be exercised stringently lies in the expenditure of further capital, which would only serve to increase the annual bond interest of the Dominion. Or, in other words, the chief way in which the annual expenditures of the Dominion can really be curtailed lies in reducing the interest on the bonded debt. The only way in which this interest charge can be reduced is, first, to refrain from further capital expenditures and, second, to reduce the amount of bonds outstanding.

This leads to another observation. More and more are public bodies, such as municipal bodies and provincial governments, issuing serial bonds; that is, bond issues a part of which mature over a term of years. At the conclusion of the term, the whole issue has been retired. The beauty of such a system, once it gets into working order, is that the bonds covering a definite project have been retired before the conclusion of the life of the public work.

For instance, a municipality might sell bonds covering its waterworks. The estimated life of the mains, and so forth, is, say, thirty years. The bond issue matures serially in a twenty-five year period. Thus, at the end of the term of the bonds, the public body is not meeting interest charges on the property which may have either outlived its usefulness, or which may have depreciated to such an extent that it is practically worthless.

Furthermore, such a system of financing tends toward a steady reduction of the debt. It would be difficult now for the Dominion to finance itself by serial bonds, but it would be possible for the government to lay down some definite plan of debt redemption and debt reduction. In fact, if this is not accomplished, the tendency will be to increase the debt rather than to reduce it.

Have Already Reduced Debt Some

Since the close of the 1923 fiscal year the net debt has been reduced in the three-year period ending March 31, 1926, by, in round figures, $64,000,000, an average of about $21,000,000 annually. This debt reduction has been accomplished out of the Dominion's working capital. There have been surpluses in the revenue, account, not due to any government, but only to improved business conditions, and in part these surpluses have been utilized to reduce the net debt. Some smaller bond issues as they matured have been retired out of income. This is as it should be. On the other hand, during those three years, the government made several large capital expenditures. The question surrounding such capital expenditures is not whether the country needed them, but could the country afford them?

How could a programme of debt reduction be laid down or carried out? A programme of, say, $25,000,000 reduction each year could be laid down. Such an expenditure might be included in the annual estimates, and thus, provided good times prevailed for a number of years, large surpluses with a consequent temptation to spend, would not accrue so easily.

Or, again, the government might lay down a definite programme for the retirement of its present debt. This programme would take into consideration the various maturities of the bonds outstanding and provide for their retirement over a term of 30, 50, 60 or 70 years.

Once such a programme was definitely laid down, it would probably go very hard with any government in the future which failed to carry out the details of such a scheme.

Can Be Accomplished

It can be said that any debt reduction plan carries with it the natural corrollary that the government of the day must have the funds in hand each year to carry out such a scheme. If it did not have the funds, the Dominion would have to go further in debt to acquire the money to retire the bonds. This is so, but if a debt reduction plan were definitely laid down, the government would set itself to find the funds in exactly the same way that it has to find funds for all the other purposes, such as post office, or public works, or national defence. In other words, if the country as a whole, through parliament, definitely faced and met the problem, debt reduction could and would be accomplished.

Another thought on governmental financing is that public expenditure is too often caused by public clamour, and not by the real needs of the Dominion. The politician must have his ear to the ground, and very close to the ground—otherwise he is no politician. Consequently, if Toronto shouts loud enough, it obtains its viaduct, if Montreal shouts loud enough it obtains its South Shore bridge, and, if the West shouts loud enough, it obtains the Hudson Bay Railway. It can be seen that in drawing up the estimates for any year, public clamor must re-echo very loudly in the ears of the cabinet. The solution of how to prevent such clamor affecting the estimates has never yet been achieved in any democracy.

How U. S. Controls Expenditures

In the United States they have of recent years brought about a reform which has worked out well in the appointment of a director of the budget, who is an appointed officer serving directly under the president and who remains in office, irrespective of the political complexion of either the house or senate. There are many who claim—and with justice—that the success of the U. S. system has been largely due to the personality of the two directors of the budget. The first was General Dawes, and the second is General Lord.

This is a problem which can obtain no early solution, but it is one which should receive thoughtful attention. A solution, or a partial solution, could be brought about by the appointment of an officer who could not be dismissed. His duties could consist in reporting on the estimates to the House of Commons. Unwise expenditures would thus at least be drawn to the attention of the House.

The position of such an officer would be analogous to that of the auditor-general who cannot be dismissed, except by parliament, and whose duties consist in auditing the expenditures which have been made, and reporting any irregularities to the House of Commons. The auditor-general takes care to inform the House of any payments which have been made which have not been authorized by an Act.

The amount which the government will spend annually, in the last analysis, is determined by its revenues. A large proportion of these revenues are derived from tariffs on imports.

Our Imports are on Up-grade

With the increase in imports, the revenues from import duties has increased substantially.

The government, instead of regarding such increases in its customs revenue as available to be applied to the reduction of debt or spent entirely in productive channels, regards it simply as current revenue.

It appears that still further increases in imports may be anticipated. A similar period of prosperity occurred before the war, and the government of the day spent much money in unproductive channels. With railway deficits and with heavy taxation, we are still paying for the reckless expenditure made in this country prior to the war.

Another point in government financing is interesting. At the present time much controversy, pro and con, centres on whether or not the government should have a larger finger in the pie of controlling the amount of currency and credit available in the Dominion.

True, to some extent the government does control credit. It controls the issues of federal notes, and, in a measure, can exercise some control over the issue of bank notes. But some feel that it should exercise a larger say-so in the expansion or contraction of credit. The banks feel, though, that they are competent to handle credit expansion or contraction.

If the amount of money in circulation be increased, and the credit be expanded, it tends to raise the price level of general commodities. If currency and credit is contracted, price levels will tend to fall because less money is available. It is said that if the government exercises a larger control in both the expansion and contraction of currency and of credit, much in the same way as that exercised by the Federal Reserve Banks in the United States and the Bank of England in the U. K., it would result in a better-balanced economic situation in the Dominion. The reason for this lies in the important part played in the business picture by either the rise or fall of commodity prices.

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Other equally significant statements are these:

"The United States has now reached a fair degree of economic maturity.

"A policy of restrictive immigration will tend to reduce the relative speed in the growth of population.

"Agricultural expansion will be slower.

"In the field of manufacture also some moderating in the swift pace of industrial expansion seems to be in progress."

In these statements lies much promise for Canada. The United States has reached economic maturity. It no longer seeks fulsome expansion but rather only steady growth—consolidation of its commercial and financial forces.

Immigrants, capital — anyone or anything seeking an outlet for creative effort—will find the greatest opportunity in Canada in the next generation.

The article from which the quotations were made was written by Robert M. McIsaac, of the National Bank of Commerce of New York, and appears in the "Commerce Monthly" published by that institution. It gives striking confirmation to the main premise of the front-page editorial in this week's issue.

German Process Reduces Greatly Central Power's Imports of Oil in Year

A recent bulletin of the United States department of commerce contains details of the results of development of the Bergium process of converting lignite coal into oil. In view of the fact that Alberta coal is of a similar type to that mentioned in the subjoined article, the discussion is of special interest in Canada, as well as to the fuel industry in general.

The annual report of the German Chemical Dye Trust mentions briefly the fact that liquefying of coal has been commenced at their Leuna works, in Merseburg. These Leuna works acquired fame as the seat of the production of synthetic nitrate during the late war. They are situated in central Germany, between the two big cities so closely connected with the lignite industry, Halle and Leipzig.

As is commonly known, the Chemical Trust, trading under the name of I. G. Farbenindustrie, possesses the patent of the Bergium process for home and abroad. Besides, it has obtained the license of the Fischer-Thopsch process, and it has now been able to develop its own process, advantages which place it in a very powerful position.

Produces Synthetic Nitrate

Through its synthetic nitrate process the Dye Trust produces unlimited quantities of hydrogen, which, having been so far a surplus by-product, is now used in hydrogenating 1,000 kilos of raw lignite coal into 490 kilos of coal oil, 210 kilos of gas, and 300 kilos of tar residue. Under this process the 490 kilos of coal oil will be separated into 350 kilos of heavy oil, 80 kilos of heating oil, and 60 kilos of grease oil. The 350 kilos of heavy oil can be further separated into 150 kilos of benzine and 200 kilos of Diesel oil.

It is claimed in well informed circles that the above process has been much improved recently, and that semi-coke, hitherto sold as a substitute for coke and as pulverised fuel, is now convertible into oil.

Produce at High Rate

It is further stated that the Leuna works are now able to produce at the rate of 120,000 tons of oil per annum, but that this quantity will be considerably increased during the next few years. In 1925, about 1,200,000 tons of oil to a value of $48,600,000 were imported from abroad; of this consumption the present output capacity of the Leuna works is thus about 10 per cent. It is stated that the production of one ton of oil raffinate costs about 90 marks ($21.84), but that it may be reduced by about $3.60 when the necessary power is obtained through the same process. The selling prices varies between 140 ($33.32) and 190 ($45.22) marks, according to the different products, but would be very remunerative even if considerably reduced.

The Ruhr coal industry is also very busy introducing similar schemes of liquefaction. A company has been formed by all the leading mining companies in order to install a coal hydrogenerating plant of the latest design to serve as a trial plant. If the experiment succeeds, other installations will follow, and there are some who foresee through this process a time when not only Germany, but the whole of the Continent, will become self-supporting in the supply of oil. In that event, liquefaction would revolutionize the whole structure of the coal industry, and perhaps be a means of permitting collieries to sell their coal far below their working costs, the chemical side providing the necessary funds for its well being.

Sees Serious Problem

Another interesting viewpoint on the oil industry was expressed by vice-president E. W. Clark of Union Oil, who is also president of the American Petroleum Institute. He addressed the Institute with the following opening remarks recently:

"Since the war more governmental and industrial energy and effort has been devoted to seeking out the world's resources of petroleum than to any other field of industrial enterprise," Mr. Clark said. "We may not close our eyes to the fact that this search has so far succeeded as to bring the world's petroleum industries face to face with conditions which certainly dwarf the significance of a few local and temporary phenomena of overproduction here in the United States.

"This is a situation in which we may well invoke the serious thought and earnest co-operation of both political and industrial statesmanship. It does not concern merely a single American industry; it has vitally to do with every power - making, power - using, power-depending industry in this twentieth century world.

"It not only deserves to be recognized as of those gigantic proportions, but it demands to be considered and dealt with in the light of such a view as I am roughly sketching for you."

In his address, Mr. Clark asked the oil industry itself to study the situation with a broader point of view than it has heretofore used in studying future production possibilities. Along with this he bespoke the support and assistance of the Government in dealing with this arising world condition.

"For one, I do not doubt that the Federal Oil Conservation Board and the national administration, if this entire condition be frankly and effectively presented, would be ready to join us in a far-reaching constructive program aiming to avert an economic disaster of international proportions and the gravest character.

"Permit me a moment to suggest that the present critical situation in our history is not one to be considered merely in terms of Seminole, Earlsboro, Spindletop, Panhandle, or any other momentarily flush area," President Clark continued. "I submit that we need at this time to take a world view, to think in terms of a decade or a generation, and not of a few months or a year.

Russia Will Come Back

"Less than 20 years ago Russia produced more petroleum in a year than the United States. With the epoch of turbulence and revolution, Russia sank to unimportance, while the United States rose to dominance. But we know Russia possesses enormous oil resources. We know that the present Russian government hopes to turn these petroleum resources into financial support for its desperately weakened economic establishment. We may be sure that before many years Russia will somehow become once more a first-class power in petroleum.

"Then glance to the south of us, and just over the horizon of the Caribbean we see Venezuela, with a potential production as great as was that of the United States only a few years ago. We recognize the assured possibilities of Colombia. On the other side of the world, in the great Persian-Mesopotamian area of the Middle East, we find still another factor of potential and enormous competition."

Reverting to the present domestic overproduction, Mr. Clark said he believed the remedy would come through evolution and not revolution. To that end he intended the industry to use the resources of the institute to bring together all the known facts about oil production which have been collected individually.

"Through this medium the whole industry should be correctly informed of the knowledge gained by practical research and experimentation, so that individual units might carry on similar work or adapt their methods to conform to new knowledge," he proposed.

Supply Grows Faster

"In conclusion it is well to bear in mind the fundamental that the oil industry, like any other, is subject to the laws of supply and demand. Despite a growing demand, supply has grown faster, and the only corrective economically sound plan is to cut prices to curtail supply. It appears probable that further price cuts will be necessary, and and that the present era of overproduction will be no longer lived than any of its predecessors."

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Mr. Mather discusses the tendency to establish investment trusts in Canada. He says: "The past year or two has been prolific of schemes for the formation of 'investment trusts.' Most of these plans are still little more than in the experimental stage, and few disclose a very intimate knowledge of the proper functions of such institutions. It would be unnatural to expect any other condition at this time, but there is no reason why some of these new investment trust corporations should not in time warrant the same high respect commanded by those well established in Great Britain, if the same breadth of outlook, high standard of integrity, and experienced and efficient management can be secured."

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Insurance for Buyer and Seller

Selling Life Insurance No Easy Way to Wealth

Earnings of the Salesman Are Quite Out of Line With General Impression — A Picture of the Life Insurance Game from the Inside

By R. B. HOWE.

The man ahead of me at the hotel clerk's desk had just finished registering. The clerk swung the book on its pivot and read the name aloud enquiringly: "Mr. Johnston?" "Yes, of the Perpetual Life Assurance Co." said Mr. Johnston. "You have a room reserved for me, I believe." "Yes, sir; reserved a month ago for the convention. No. 1142. Boy!"

Mr. Johnston passed on and I was about to register, when the clerk asked me if I had made a reservation. I had not. In that case, said he, I would would have to wait for someone to check out, as the hotel was booked right up for the Perpetual Life and the Everlasting Life conventions, which happened to coincide as to time and place.

What $100,000 Earns

Muttering curses on my carelessness, I sat down in the rotunda morosely to await my fortune. Presently Mr. Johnston sauntered along and took the next seat. We got into conversation—not a difficult thing with an insurance man. He told me he was a member of a Production Club with his company and his ill-concealed pride in the statement led me to draw him out. It seems that not all agents are eligible to these clubs, which are given a trip and a small bonus each year. In his club, Mr. Johnston said, each member must have written insurance during the year amounting to $100,000, on which at least a full year's premium was paid. This did not seem a large amount to me, and yet Mr. Johnston informed me that on this trip about one in four of the company's agents qualified.

Having heard something of the incomes of such outstanding underwriters as the late Harry Rosen, I marvelled at the great gulf which must lie between their income and that of the class represented by my bright young informant, who was proud of having "made his club" in his third year of life underwriting, to say nothing of those 75 per cent. or so who had not qualified. His company was well-known, long established and in every way representative; therefore, what was true of it, must be true of the others. Less than 5 per cent. of his company's representatives wrote over a quarter of million of paid-for business each year, said Mr. Johnston, and the object of these convention trips was to inspire those of the hundred-thousand-dollar grade to make themselves into quarter-million-dollar producers by an exchange of ideas.

Where Some Men Fall Down

What reason was there, I enquired, for the very few who wrote upwards of a million dollars worth of insurance per year and the vast majority who did not write even a quarter of a million? The cause seemed to lie in a combination of several factors. The requirements of physical and mental equipment are more exacting in this than in any other form of selling. Taking for granted the common factor for success in selling, i.e., salesmanship, and all it implies of education, personality and honesty, the underwriter must possess considerable managerial ability, for his only real manager is himself. He alone must plan his working hours, find his clientele and keep himself from getting slack. His being a cash business, cash on delivery or even before, he must be a good collector. If as a favor, and to render a service, he finances part of his client's premium, he must exercise the judgment of a credit manager, or lose his investment. Right here I thought I saw a light.

"Is it a fact, then," I asked, "that some capital is a help in your business?"

"A help!" almost groaned Mr. Johnston, "why, that is what makes it possible for a million-dollar man to do his stuff! For instance, a business needs capital to put over a deal: the bank refuses to loan unless collateral in the form of an insurance policy on the owner of the business is assigned to cover the bank. Here is where Mr. Capitalist Agent comes in. By his ability to finance the premium for a short time he not only clinches the business, but also makes a friend of the owner of the firm, to whom he has rendered a very real service."

"In no business is it truer to say that success breeds success," he continued, "for a man of some means in the insurance business can make use of the people he buys things from, such as automobiles, houses, bonds, etc. For instance, a partner in a stock and bond house I called on the other day, told me he had lately bought a policy for $50,000 from Mr. Blake, an agent in my own company writing over a million a year. Said he, "I like the way he (Mr. Blake) did business with me: he walked in one day, looked over my list, chose $10,000 worth of bonds and stocks, gave me his cheque for the lot and on the way out of my office told me he was going to come in later on to write me up for a little policy. Could I refuse him? I could not. I bought from him, because he bought from me."

Putting it on Paper

Another important attribute for an underwriter is an ability to gauge human nature—especially its weaknesses. It would appear that there is no tendency on the part of the average man to underestimate the amount of insurance he carries. On the contrary, very much on the contrary, I gathered. With a twinkle in his eye, but with extreme earnestness withal, Mr. Johnston sketched the only process which these men must use to arrive at the figures they quote. I give the process as he gave it to me:

Mr. Prospect: "How much Life Insurance do I carry? Let's see! (Scribbles on a pad). That makes $25,000."

An analysis of the figures reveals that he has put down: Actual life insurance policy carried, multiplied by 2 (why not? He has double indemnity clause!) Added four lapsed policies. (Well, he may restore them some day!) Added industrial policies on wife and children. (He pays the premiums, doesn't he?) Added insurance on furniture and car, if any. Brought the total up to the next higher multiple of five, (for luck?).

Worth More Dead Than Alive

Swelling visibly, as his attempt to impress the agent begins to have its effect on his own mind (if he figures this way often, he really begins to believe) the prospect is apt to give vent to that bromide about being "worth more dead than alive."

Here is where all the agent's knowledge of human nature and character reading is put to the supreme test, for here and there, one finds batches of life insurance growing in the investment gardens of those one would never at first sight credit with the capacity for cultivating such a large crop. To doubt such a man's statement of a fact, of which he is justifiably proud, would obviously be fatal to future business.

Where Humbler Agent Enters

Other things being equal, momentum of business written, combined with capital, has much to do with a large writer's success. But the humbler writers are the real backbone of the companies' business, and are of infinitely greater service to their fellow men. The prospect who has the direst need for insurance, who is still all too ignorant of its almost divine protective powers for himself as well as his family, is the man whose buying power for insurance is small, who buys a couple of thousand dollars' worth at a time. Such a man the million dollar producer scorns as unworthy his time—and rightly, from his own viewpoint. Not so the average writer: all is apt to be grist that comes to his mill. Yet, how many of his clients realize, while they patronizingly "give" him an application, what a vastly greater service the agent is rendering them, than the commission involved can ever pay him for. In perfect health to-day, they often fail to realize that next week —even to-morrow—they may cross the invisible line between insurability and uninsurability; that they must have more than mere money and the desire, before they can buy what he has to sell. And while they are deeply considering whether they would not be wise to "cut down the $2,000 to $1,000 for this time" some fellow agent with no more ability than the one before them, is delivering to a real business man, a $50,000 policy with half the expenditure of time and eloquence.

Next Case May be Million

Probably the greatest romance in the life of the average agent is the possibility of the "big case" which may be around the very next corner he turns. The thrill of landing such a case is perhaps because of the very hazards of insurability and so forth which must be safely passed before the case is credited to the agent.

"No. I'm no Rosen," said Mr. Johnston, with a grin, "but just the same, I make a fair living and know that even if I never write more than I did last year, but keep around the hundred thousand dollar mark, my income will go up automatically by virtue of my renewals; and when I reach pension age, my contract with the company calls for an income for me and my wife, as long as we live. That's worth something, isn't it?" I had to admit that it was more than I could expect from my own company when I got to be sixty. "Well," said Mr. Johnston, "we are not so exclusive in my company. We will let you in on this pension. You give us so much each year till you are sixty——"

It seems that another attribute to success in writing insurance is a nose for business. He delivered my policy yesterday!

Guardian Assurance Shows Total Assets of £11,503,253

The annual report of the Guardian Assurance Co., which operates some 23 branches in nine countries of the world, was submitted to shareholders recently. The company shows total assets of £11,503,253. The results for 1926 show reduced profits in practically every line of risk, but nevertheless the company has been able to turn over to its profit and loss account, (after full provision for expenses and reserves) some £237,045.

Of this profit, the largest individual amount is from the fire department, which transferred £88,238 to profit and loss. There was an actual trading profit on fire insurance of £56,668, which together with interest on reserve funds brought the total surplus for the year in that department up to £115,485.

In its life offices the company wrote 1,509 new policies covering a net amount of £1,177,568. The expenses of management and commission were 13.4 per cent. of the premium income. The total number of policies in force amounts to 22,977, covering an assurance of £17,190,077.

Under its accident account the company includes accident, burglary, employees liability, fidelity, automobile and glass departments. Both premium income and profit show an advance under this heading, for the current year. Premiums after deducting reinsurance amounted to £614,688 as against £572,620 in 1925. Net losses for the year were £270,568 (44.02 per cent. of premiums) as compared with a similar ratio in 1925 of 46.72 per cent. Expenses of management were also somewhat lighter, amounting to £261,290, or 42.51 per cent. of premiums. The total surplus from this department was £83,391, of which £47,691 was transferred to profit and loss.

In addition to the parent company the company owns and operates the Guardian Insurance Co. of Canada, the Reliance Marine Insurance Co., the Scottish Plate Glass Insurance Co.; and the Hibernian Fire & General Insurance Co. In Canada, the parent company carries on an extensive fire insurance business under its own name and a small amount of life insurance, and under its subsidiary, the Guardian Insurance Co. of Canada, it writes both fire and casualty lines.

Open Insurance Department

The firm of W. S. Newton & Co., trustees, liquidators and financial agents of Winnipeg, have announced the opening of an insurance department in connection with their financial business. The new insurance branch will be in charge of Murray G. Doyle, who has for four years been in charge of the financial liquidation work of the company. The company intends to write all kinds of insurance.

HAIL INSURANCE HELP TO FARM CREDIT

Furnishes Indemnity in Case of Loss to Growing Crops and Protects Farmer

By ARTHUR E. FISHER,
Superintendent of Insurance of Saskatchewan.

By furnishing an indemnity in case of loss to growing crops, hail insurance plays an important part in agricultural credit and is one of the many pieces of collateral security in cases of advances to farmers by banks and other investing institutions.

In Saskatchewan, hail insurance protection is given by the Municipal Hail Association to those farmers residing in municipalities which have adopted the by-law and throughout the whole province by the companies licensed under The Saskatchewan Insurance Act to underwrite this class of business. Of the latter, 50 companies have been licensed of whom 46 are stock companies and four mutuals. To these must be added the five underwriters agencies of licensed companies.

During 1926, the sum of $4,825,048.37 was paid for hail protection in Saskatchewan. Of this amount $1,369,868.09 was paid in levies to the municipal association and $3,455,180.28 to the licensed companies. This latter figure would not include the extra charge made for hail protection when a note is tendered in payment of the premium, the note rate being 15 per cent. advance on the cash rate. The total awards amounted to $3,925,957.96 of which $1,256,975.96 was paid by the municipal association and $2,668,982.00 by the licensed companies.

So far as the licensed companies are concerned it will be noted that Saskatchewan's experience was decidedly unfavorable to the insurance companies as the ratio of losses to premiums paid amounted to 77.24 per cent. When, to this percentage figure is added the expense ratio which is also reckoned in terms of the premiums collected and which averages about 35 per cent., it will be seen that on the whole the insurance companies made no money in their hail underwriting during 1926.

"The loss under hail contracts is adjusted for the most part by a central bureau which has been organized by the companies in an endeavor to minimize the cost of inspection. The advisability of this procedure is very patent. There are, however, a number of companies who are not members of the Adjustment Bureau and who make independent adjustments. It must be remembered that the contract issued by the companies does not protect against hail but rather against loss or damage by hail. If this fact were carefully taken into consideration by the insuring public, there would be a material reduction in the cost of adjustment.

During 1926 no less than 1,217 claims were filed with the hail companies which were afterwards withdrawn on account of no loss. It is evident that hail must have fallen on the crops involved which fact resulted in the sending in of the notice of loss but owing to the fact that the contract simply covered 'loss or damage through hail' there was withdrawal. When one takes into consideration the expense involved in the sending of adjusters to inspect losses it is quite apparent that the misconception of the purpose of a hail contract on the part of some persons insured has resulted in needless expense. In computing rates the adjustment expenses are often added to the actual loss, the two combined forming the 'loss cost.' This latter, when ratioed to the premiums paid, forms the basis of rating. It is therefore advisable during 1927 for insured persons to make a survey of the crops covered in the contract to ascertain whether or not there has been sufficient hail loss to warrant the making of a claim. In this way a reduction could be effected in the expense ratio which if favorable would have a direct effect on the rating charged in the various townships.

Mount Royal Hotel Has Maintained Its Bookings

From Our Own Correspondent.

MONTREAL.—Up to the end of May, the first five months of its fiscal year, the Mount Royal Hotel Company made net profits equal to the corresponding period of 1926, when total earnings for the year available for preferred share dividends amounted to $330,000.

The laxness of the city council of Montreal in dealing with the typhoid epidemic this year has decreased somewhat the tourist travel to Montreal. Notwithstanding this, the bookings of the hotel for the remainder of the year exceed those of 1926. As the health conditions in Montreal are much improved, it seems probable that during the summer months there will be an increased volume of tourist travel to the city from the United States.

B. C. FISH OPERATES 31 PLANTS THIS YEAR

Also Is Operating 156 Boats—Big Market Grows in Europe for Meal

British Columbia Fishing and Packing Co. is operating 31 plants this year, including those of its subsidiary, the Wallace Fisheries, Ltd., the only cannery closed which operated last year being that on Masset Inlet. Among those being operated are the cold storage at Kildonan and pilchard reduction plants at Kildonan and Quatsino.

Five new purse-seine boats have been built for this season, in addition to two fast V-bottom express cruisers to enable the managers to keep in closer touch with the fishing grounds. The company's new boat repair plant at the Celtic Cannery, Point Grey, will be of advantage, as it affords facilities for laying up every one of the company's boats in fresh water during the winter, when they can be hauled out and gone over thoroughly as a regular routine. The company now has 58 power boats of its own, and also operates 98 under charter.

The new Walker Lake plant of the company on Johnson Channel, B.C., now about ready for operation, is considered the most complete and up-to-date salmon cannery in the province, embodying the most modern ideas in equipment and general layout with a view to quality of products as well as efficiency and economy of operation.

It is a four-line plant, packing both talls and halves, with a capacity of 3,600 cases per day.

B. C. Fish shareholders will be interested in the report that dealers in British Columbia pilchard meal report a rapid development of late in the demand for this product in Continental Europe. The demand is said to be very strong in many parts of the continent, especially in Germany, with apparent possibilities of British business, and a considerable proportion of the new season's output has been sold in advance to European buyers at prices ranging from $55 to $56 per ton. The meal is being used for stock feed, for which purpose fish meal has long been very popular in those countries, being much more highly appreciated than on the Pacific Coast.

For this purpose a comparatively high standard of quality is required, but the pilchard meal is said to meet the requirements in good shape. Several European buyers have recently been on the coast and have expressed themselves as well pleased with samples inspected, which they have pronounced better than the Norwegian product. It is pointed out, in this conection, that Pacific Coast fish-meal on the average is of considerably better quality than in former years, and is handled in better shape and with a reduction in oil content it now gives little trouble in the way of heating or caking.

The European demand for fish-meal on a feed basis suggests the possibility of developing a similar market in nearby territory which, if the value of the product were fully appreciated should easily absorb the entire output of British Columbia at least. A larger proportion of the 1926 output was sold in these markets than for some years past and it is hoped that the demand will continue to grow, placing the product definitely on a feed rather than a fertilizer basis.

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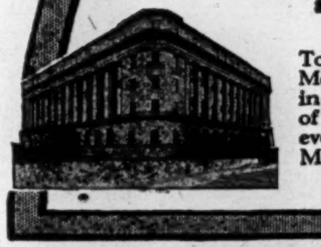

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Current Events in Banking World

NEW YORK BANK WRITES CANADA TO GET BUSINESS

Offers Long Hours, Free Collection and Daily Interest Collection

Canadian banks have come out of their shells very greatly in the past few years in the matter of advertising, special service features, etc. Canadian banking has been much influenced by British and Scottish traditions and the tendency to conservatism that has always been present in the policies and practices of our banks has led to a careful compromise with anything saving "Bally-hoo."

Gradually though, as they find it advisable, the banks in Canada are adopting modern and progressive features in business getting. They have not yet gone in for window displays, "stunts" or salesmen,, although some of the directors and managers constitute themselves as account solicitors in their regular course of duty.

Seeks New York Branch Account

But with all this advance they are far from the point when they would send out such a letter as the following, which came to a Toronto business house a short while ago from a New York bank:

"We learn with a great deal of interest that you have a New York office at the Graybar building, just a short distance from this bank.

"In these circumstances, we should like to inquire if we may serve you as New York depository, for in conjunction with this close proximity of our offices, I would call your attention to our extended hours of business, from 8 a.m. to 8 p.m., Saturdays included, a convenience which speaks for itself.

"Moreover, we can collect, without charge, your checks on all parts of the United States, allowing you a suitable rate of interest on your daily available bank balances."

Would Canadian Banks Send It?

The sending of such a letter is in itself a distinctive feature. It shows an attention to account getting that reflects the intensity of competition in this regard in American centres, Incidentally the banks had apparently gone to some trouble to get the correct name of the president of the company in order that it might address him personally.

It will be observed too that the hours the bank undertakes to be open are from 8 a.m. to 8 p.m., a twelve hour day of service.

The bank offers to collect cheques *anywhere* in the United States with*out* charge and to allow interest on *daily* cash balances, but these are features that Canadian banks are not yet prepared to allow.

The editor of the banking page of The Financial Post would be glad to learn of the experiences of any managers who have used letters or personal solicitation in going after new accounts. Anything published will of course be done without naming the manager unless he wishes to permit his name to be used.

Montreal Opens Branches

The Bank of Montreal has opened the following offices as sub-agencies: Two Hills, Alta., sub-agency to Vegreville; Myrnam, Alta., sub-agency to Mannville.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	July 1, 1926	July 1, 1927
Halifax	$ 2,247,181	$ 2,523,591
St. John	......	2,826,378
Moncton	684,647	917,489
Sherbrooke	737,277	769,541
Quebec	6,195,956	5,834,078
Montreal	90,510,618	129,173,330
Ottawa	4,601,037	6,738,727
Kingston	682,226	845,494
Peterboro'	668,951	773,689
Toronto	74,114,168	109,278,724
Hamilton	4,197,660	5,768,682
Brantford	830,716	1,162,087
London	3,138,926	3,282,449
Chatham	559,664	620,463
Kitchener	700,945	587,562
Sarnia	438,235	569,032
Windsor	4,093,141	4,120,003

Western Cities

	July 1, 1926	July 1, 1927
Fort William	......	$ 983,601
Winnipeg	$37,775,171	38,569,714
Brandon	484,068	583,523
Regina	3,466,010	4,366,330
Moose Jaw	1,020,021	1,236,880
Saskatoon	1,407,781	1,786,866
Prince Albert	......	267,161
Lethbridge	378,072	450,319
Calgary	5,667,079	6,339,271
Edmonton	3,464,398	5,708,132
Medicine Hat	214,996	281,168
N. Westminster	692,299	921,965
Vancouver	12,444,161	16,146,949

Monthly Bank Clearings

(In comparison with same month last year).

Eastern Cities

	June, 1926	June, 1927
Halifax	$ 12,308,917	$ 13,919,380
St. John	12,132,775	10,795,460
Moncton	3,791,798	4,040,840
Quebec	26,521,780	32,533,390
Sherbrooke	3,707,128	3,991,680
Montreal	465,322,592	559,136,530
Ottawa	29,979,294	33,233,585
Kingston	3,472,284	3,824,648
Peterboro'	3,609,360	3,714,325
Toronto	438,314,447	531,819,903
Hamilton	23,007,891	26,641,728
Brantford	4,879,247	5,151,944
London	12,330,182	15,227,775
Kitchener	4,571,768	5,234,078
Chatham	3,198,559	3,277,156
Sarnia		3,159,479
Windsor	22,684,124	20,835,070

Western Cities

	June, 1926	June, 1927
Fort William	$ 4,315,188	$ 4,330,568
Winnipeg	218,695,033	190,830,937
Brandon	2,576,258	2,500,604
Regina	18,571,346	17,638,988
Moose Jaw	5,300,178	5,218,180
Prince Albert	......	1,611,883
Lethbridge	2,268,986	2,082,258
Calgary	27,324,112	31,916,801
Edmonton	20,032,485	22,267,107
Medicine Hat	1,205,298	1,295,158
N. Westminster	2,422,298	4,203,297
Vancouver	72,493,217	72,268,313
Victoria	9,793,348	missing.
Saskatoon	7,953,873	8,218,670

Banks and Banking

An Historical Sketch by PROF. A. STANLEY WALKER, Halifax.

First Article in Series Tells of Rise of World's Earliest Banks—Venice, Genoa and Amsterdam Take Turns at Supremacy

This is an Age of Faith. The modern business man excels over all competitors in his capacity for the exercise of this emotion. Constantly he wagers his profits and even his very commercial existence on his belief that his business associates will keep their word and fulfil their obligations. Above all, his faith in his bank is superb. We may thank our fates that, in Canada, this trustful reliance of ours is so sane and well-founded. We trust our banks so thoroughly that in most of our business deals involving sums above two dollars we allow them to manufacture the currency we use without our questioning its efficiency; we rarely see an actual coin of a value exceeding fifty cents, and not a few good Canadian business men might be puzzled for a moment if they were suddenly asked to name the legal standard coins of their own country.

Casual, But Also Splendid

This indeed sounds casual, but it is a splendid thing. It is a sign of stability. To it we owe our commercial peace of mind, our standard of living and our capacity to expand in the markets of the world. And behind it all there lies a history—a story of trials and disappointments such as we hope never to know again. It is a story which runs from the days when a woman's value was calculated in terms of oxen; when the man with the elephant vainly tried to conclude a deal with his friend who only possessed a collar-button; when business of any kind was often impossible because of the lack of an efficient medium of exchange, down to modern times, when most business transactions are accomplished by means of an act of book-keeping in a bank ledger.

But it is more than a dead narrative of a jejune past. It is a story pulsating with the painful efforts of generations of financiers to evolve a stable system of credit and it is surprising how early those efforts began. There is evidence in the writings of such men as Cicero, for example, that convertible substitutes for money actually preceded the invention of coined money. The Babylonians issued negotiable credit notes upon the security of bullion and other valuables and it is certain, though we know nothing of their detail of method, that the Jews of Asia Minor, trading in Athens, Corinth, Tyre and Carthage, found means of representing "money in the future and at a distant place" by a credit instrument drawn upon goods "here and now"—in short, by what we call a Bill of Exchange. They were the ancient bankers, as the Greek "Trapezites" and the Roman "Argentarius" maintained the ancient Bureaux de Change, and in raising their credit system they were not only facilitating business; they were also defeating the hopes of the marauders who infested the caravan routes of Africa and the pirates of the Mediterranean, just as the modern banker combats the efforts of the "hold-up man."

When Venice Was World's Bank

In modern practice their system was developed about the year 1157 in the Bank of Venice, which traded with the Papacy or the Empire, and with Christian and Saracen impartially. The Bank dealt in coins of countries from Asia Minor to Spain and from Spain to Russia; it valued and discounted them all. Tickets were issued on deposits and experience proved them to be as good as cash. Indeed, they often changed hands at a premium. Until the fifteenth century the exchange business of East and West was in the hands of the Queen of the Adriatic.

In 1407, during a period of premature parliamentarianism, there arose the Bank of Genoa, opening up a period of individualism leading to the modern business world which was ushered in by the Renaissance. The Bank of Genoa was more than a mere bank of deposit. It took its customers' money, issued notes in acknowledgment of receipts and traded with the cash. Throughout the fifteenth and sixteenth centuries Genoa governed the commercial world. She fell through putting her trust unduly in princes, and when, in 1596, Philip II of Spain repudiated his paper, not only the Bank of Genoa, but many of the Italian mercantile houses too were involved in ruin.

Shift From Genoa to Amsterdam

King Philip had been impoverished largely through his efforts to subjugate the Dutch. The latter, in their status as Spanish subjects, had shared in Spanish and Portuguese trade privileges, and had won a place in the sun in East Indian commerce. On the fall of the Bank of Genoa, then, the Dutch decided to raise a bank of their own. The year 1609, therefore, brought the foundation of the Bank of Amsterdam. Amsterdam, rising on the commercial ruins of Antwerp, soon became the exchange of Europe. The very soundness of Dutch finance and the prosperity which accrued to the Hollanders in consequence, rapidly aroused the jealousy of England. Three wars waged on Holland in swift succession aimed at establishing London in the place of Amsterdam. Perhaps through ignorance, the Dutch assisted in their own undoing, for little by little they had reduced the capital of their bank in favor of the Dutch East India Company, so that, when the French invaded Holland in 1795, anticipating a golden haul from the vaults of Amsterdam, they found the cupboard was bare.

Staff Gossip

James K. Jones, of the Bank of Commerce staff, Roland, formerly of Brandon, has been transferred to New York city.—Sun, Brandon.

* * *

W. Gordon Richardson, manager of the St. Catharines branch of the Bank of Montreal, died recently. He was a son of the late Canon Richardson, of Hamilton, and had been stationed in Kingston, Montreal, Ottawa and Winnipeg.

* * *

The residents of Watford assembled recently to say goodbye to H. W. Nixon, manager of the Standard bank for the last five years. Mr. Nixon, who has been moved to Port Stanley, was presented with a purse of $50, and the best wishes of all his friends for future success. — Observer, Sarnia.

* * *

Hugh F. Smith, for seven years manager of the Dominion Bank branch at Sarnia, has been transferred to Toronto, and is succeeded by Mr. McDonald from one of the Toronto branches. Mr. Smith, who has enjoyed the high regard of his business and social friends, was president of the Sarnia Motor League and past director of the golf club. — Free Press, London.

* * *

Dominion Bank has announced the following staff appointments:

W. B. Macdonald, manager at Bloor St. and Runnymede Road branch, Toronto, has been appointed manager at Sarnia, Ont., and is succeeded at the former office by J. G. Fraser, formerly manager at East End branch, St. Thomas, Ont.

A. E. Brown has been appointed acting manager at East End branch, St. Thomas, Ont., and E. Bedggood has been appointed to a similar position at Bay and Breadalbane Streets branch, Toronto.

H. G. Henderson has been appointed assistant manager at Bleury St. branch, Montreal.

Maritimers Big Holders of Canadian Bank Shares

If conditions in the Maritime Provinces are not fundamentally good, it will take some explaining to account for the alacrity with which the new issue of Royal Bank stock allotted to the Maritime shareholders was taken up, declares the Maritime Merchant. Brokers have endeavored to buy rights locally, but from what we hear their efforts were unsuccessful, which would indicate that the Nova Scotia shareholders at least have taken up their allotments in full. As the portion allotted to Nova Scotia shareholders would be about 8,700 shares, this means that Nova Scotians have been able to put their hands on $1,740,000 in cash to pay for these shares, which is quite a tidy bit of cash to have available for investment in one security. It is evident too that these purchases were not made at the expense of the savings bank deposits; for the Nova Scotia savings deposits of the Royal, as of all the other banks, are to-day larger than they were a year ago.

Holdings of bank stocks in the province of Nova Scotia to-day are as follows: Royal, 70,000 shares, market value $20,000,000; Nova Scotia, 39,000 shares, market value $12,000,000; Montreal, 15,000 shares, market value $4,500,000; Commerce, 16,000 shares, market value $4,000,000. If one adds to this the savings deposits, and these are steadily growing, he will have a total of a very substantial figure as representing the accumulated savings of this province in these four banks.

OPEN BROKERAGE OFFICE

Floyd Hall and J. H. Neill Join in Toronto Enterprise

Announcement is made of the formation of the brokerage house of Hall, Neill & Co., with offices located at 344 Bay Street, Toronto, where a general brokerage business will be transacted.

Floyd E. Hall was formerly connected with the Citizens Bond Corp., Toronto. J. H. Neill has been associated with the automotive industry in Canada.

BANK OF NOVA SCOTIA

A branch of the Bank of Nova Scotia has been opened at Milo, Alta.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents.

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

URGES OIL'S USE FOR HEAT TO END COAL SUPREMACY

Lamp, Standard Oil Organ, Points to One Way to Expand Market

The following article on the use of oil for heating purposes is from a recent issue of the Lamp, house organ of the Standard Oil Co. of New Jersey. In conjunction with the probable development of production of fuel oils direct from coal, particularly lignite, the discussion is interesting as bearing on the fuel problem in Central Canada and the marketing of Alberta coal.

Overproduction of crude and finished products having become more acute, and the price of crude having declined below the average cost of production, except in flush pools, the producers' situation should be of sufficient concern to every element in the industry to warrant a recapitulation of the more recent developments.

Statistics of crude and products in storage, and of current production and consumption are readily available. For the purpose of this study it is sufficient to consider only the general aspect of the present accumulation of crude increasing daily by a production materially in excess of current requirements, and creating a problem of disposal, which in self-interest, is individual to every member of the industry.

Low Prices Bring Disaster

As compared with the brief periods of flush production of the past which have been terminated by low prices, the industry faces to-day an era of overproduction that promises to be of extended duration. Low prices are still the effective remedy, but the existence of a crude price below cost over a long period would bring disaster to many in the industry. The conception of a crude situation of relative sufficiency is based not alone upon the uninterrupted activity of drilling operations with increasing production of crude, and the fact that the crude now above ground and to be produced represents by reason of improved refining methods a substantially greater yield of gasoline than ever before, but also upon the existence of known, but as yet undeveloped, reserves of crude. Never in its history has the industry possessed in addition to the huge stocks above ground, undeveloped known reserves of such magnitude, and the existence of these reserves gives to the present period its certainty of extended duration in contrast with the brief and spasmodic intervalues of overproduction in the past.

Substantial reductions in prices have occurred, affecting in different degrees the several classes of crude. In the following table of three classifications, fuel, lubricating and gasoline crudes, it will be seen that the gasoline crudes have borne the brunt of the declines.

Classification of Crudes	Daily Pro. duction April 1st	Average Price Oct. 31st	Average Price April 1st	Average Percentage Reduction
Fuel Crudes	313,058	$1.07	$ .95	10.25
Lubricating Crudes	231,834	2.13	1.72	19.18
Gasoline Crudes	1,932,525	2.13	1.21	43.39
TOTAL U. S.	2,477,417	$2.00	$1.22	38.78

During the past few years the supply of motor fuel has been derived principally from two sources, the distillation of crude and the cracking of fuel oil. The cost of gasoline distilled from crude has been greater than the cost of gasoline produced by cracking fuel oil, and as a result there has been an enormous expansion of cracking facilities. The recent reduction in crude oil prices have in effect been an adjustment toward parity of the relative values of crude and fuel oils for gasoline manufacture. If the production of naphtha-bearing crudes were more than sufficient to supply the entire demand, the value of the natural gasoline might decline to a level below the cost of obtaining gasoline by cracking fuel oil. This would cause a virtual suspension of cracking operations. In such a situation, however, gasoline obtained by natural distillation would no longer be in competition with cracked gasoline, which has been the cheapest source of supply, but solely in competition with itself.

A pertinent question is, therefore, whether on the basis of to-day's production of naphtha-bearing crudes there can be recovered sufficient natural gasoline to supply the total demand, estimated at 342,000,000 barrels for 1927, or an increase of 9.6½ over 1926. This additional quantity of approximately 30,000,000 barrels could be more than supplied from the increase in production of crude oil which present estimates place at 125,000,000 barrels. If this additional quantity of crude oil is run it will give, on the basis of a 30% yield, 37,500,000 barrels of gasoline, or 7,500,000 barrels in excess of the estimated gain in demand. The production of gasoline by cracking during 1926 was 93,736,000 barrels, so that to meet this year's demand the industry would still be obliged to produce by cracking about 86,000,000 barrels. There exists, therefore, no economic reason why the cost of the natural gasoline content of the crude should decline to a price below the cost of gasoline obtained by cracking fuel oil.

Cost Fixed by Fuel Oil

The cost of cracked gasoline is determined by the price of fuel oil, therefore, the value of fuel oil is to-day the foundation of the petroleum price structure. Through the price of gasoline, fuel oil controls the value of crude oils other than the grades utilized for the manufacture of lubricants and specialties. The present crude oil price schedule is on a fuel oil basis, competitive with coal, and if further declines in crude prices occur, fuel oil will be competing only with itself.

Another pertinent question is whether, now and in the past, the industry has not ignored certain economic factors bearing on the fuel oil market. Statistics show that the domestic consumption of coal on a heat value basis is approximately five times the consumption of fuel oil. Further, to-day's price of fuel oil in most parts of the country is below its equivalent value as compared with coal for power purposes. These conditions alone should cause a substantial increase in the consumption of fuel oil at existing price levels.

Competition with coal for power purposes is, however, of minor consideration in any constructive program for the expansion of the fuel oil market. Since the present overproduction has established the industry's price structure on the value of fuel oil, is it not time to stop looking at fuel oil as an unwelcome by-product? Should not the industry recognizing its importance in the price structure, now make an effort to place fuel oil on the plane to which it is entitled by its economic value? The higher the place on which the industry places fuel oil, the higher the value for crude and its products.

Would Expand Market

The consumption of distillate oils in the direct generation of power, such as in Diesel engines, or for domestic heating and like purposes, gives it a special value not competitive with coal. With the assurance that supplies will be available over a long period at a reasonable price, these markets are susceptible of large expansion. Their rapid development is important, not only to provide an outlet for surplus production, but also in reduction of the present large stocks above ground. The industry is justified in allocating a part of its supplies to these superior uses and should be willing to enter into contracts for delivery over longer periods than heretofore.

Once the industry itself recognizes that there will always be a production of fuel oil, the status of that product will be immediately changed. It should come into general use for superior purposes, at a price which will be profitable, and which will exert a favorable influence upon the value of crude and its products.

Prices of crude will continue to be determined by competition and the law of supply and demand. These two forces will be interpreted by crude purchasing companies according to their own views on current production, pressure of current stocks, prospects of shortage or surplus, consumption of products, conditions of general business, etc. If in the judgment of some or all of these companies the storage of crude at existing price levels is not justified, further declines in price will follow.

The present situation is the more serious if it fails to enlist the intelligent and co-operative effort of every unit of the industry. The present cycle of overproduction differs from those that have gone before in that its duration for a much longer period than any of its predecessors is almost certain. Measures to meet that condition must be framed with due consideration to this fact, and to the futility of applying to a new and unprecedented situation only the remedy that proved availing under a different set of conditions in the past.

A wholesome ambition would be to effect the utmost economies of operation in every phase of the business, to recognize that the development of new sources of crude for a considerable time promises to be hurtful, and more nearly to bring about an equilibrium between production and consumption by means which will inflict the minimum of injury or loss to any unit. There are complexities in the present outlook which are new, but there are also compensating opportunities for greater efficiency and the ultimate prosperity of the industry, which are now only being recognized.

Export Wood Pulp Grinders

What is said to be the first instance of Canadian-made machinery being shipped out of Canada into the States—manufactured in Canada to American order—is that of nine large wood pulp grinders, of an output of 100 tons of pulp a day, now ready at the plant of the Port Arthur Shipbuilding Co. for consignment to the St. Regis Paper Co., Watertown, New York.

Group Insurance Manager

One of Canada's best-known Life Insurance Companies desires the services of a Manager for its Group Insurance Department.

Replies, which will be held confidential, should give age, whether married or unmarried, and experience in Life Insurance work, with special reference to experience with Group Insurance.

Address replies to Box 82 Financial Post

The Guardian Assurance Company
Established Limited *1821*

The annual general meeting of the Company was held in London on May 31, 1927, when the annual report of the directors was presented to the shareholders.

FIRE DEPARTMENT

The Fire Premiums, after deducting re-insurances, amounted to **£1,094,960 17s. 7d.**, as against £1,003,463 4s. 6d. in 1925, and the Net Losses to **£498,449 10s. 6d.** (45.52 per cent. of the premiums), as against £393,403 7s. 8d. in 1925.

The Expenses of Management, including Fire Brigade Charges and Commission, together amounted to £483,356 18s. 0d., being 44.14 per cent. of the premiums.

After providing for losses, expenses, bad debts and for the additional premium reserve (£43,000) there was a profit on the Trading Account of £56,668 11s. 8d., and with the interest on the Reserve Funds amounting to £58,817 6s. 0d., a total surplus on the account of £115,485 17s. 8d. The sum of £2,247 12s. 0d. has been provided for Loss in Exchange, the General Reserve Fund has been increased by £25,000 and the Balance, amounting to £88,238 5s. 8d., has been transferred to Profit and Loss. The Premium Reserve Fund now amounts to £548,000 and the General Reserve Fund to £830,000, making the Total Fund in this Department £1,378,000.

FIRE ACCOUNT

	£	s.	d.		£	s.	d.
Amount of Fund at the beginning of the Year, viz.:—				Claims under Policies paid and outstanding	498,449	10	6
Reserve for unexpired Risks	505,000	0	0	Commission	169,712	6	1
General Reserve Fund	805,000	0	0	Expenses of Management	303,301	0	8
Premiums	1,094,960	17	7	Contributions to Fire Brigades	10,343	11	3
Interest, dividends and rents (less Income Tax)	58,817	6	0	Bad Debts	13,485	17	5
				Loss in Exchange	2,247	12	0
				Transfer to Profit and Loss Account	88,238	5	8
				Amount of Fund at the end of the Year, viz.:—			
				Reserve for unexpired Risks	548,000	0	0
				General Reserve Fund	830,000	0	0
	£2,463,778	3	7		£2,463,778	3	7

Funds of the Company as at December 31, 1926

	£	s.	d.		£	s.	d.
Proprietors' Capital paid up	1,015,000	0	0	Staff Pension Fund	185,322	0	0
Life Assurance Fund	5,848,403	12	1	Officials' Fidelity Guarantee Fund	6,828	18	4
Fire Insurance Fund	1,378,000	0	0	Investment Reserve and Contingency Fund	299,629	18	7
Accident, Burglary and General Assurance Fund	546,610	0	0	Profit and Loss Account	179,059	0	2
Marine Insurance Fund	322,106	13	9	Shareholders' Life Profit Account	50,000	0	0
Redemption Assurance Fund	184,629	10	8		£10,015,589	13	7

Total Assets - £11,503,254

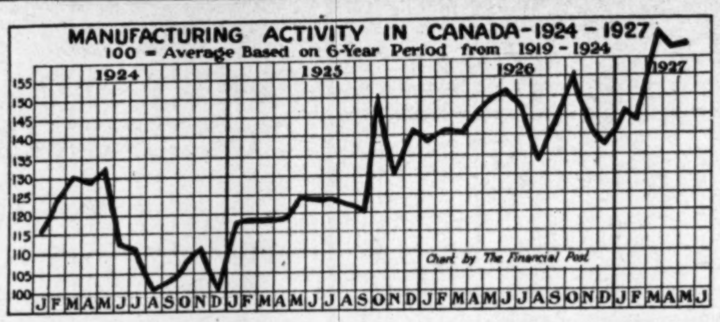
Head Office for Canada

GUARDIAN BUILDING, MONTREAL

BERTRAM E. HARDS, Manager. J. V. OWEN, Assistant Manager.
S. A. A. WATT, Superintendent of Agencies.
J. H. BOIRE, Quebec Inspector. DONALD M. GAIR, G. P. SMITH, Ontario Inspectors.

Manufacturing Activity Continues Much Above General Level of 1926

Minor Changes Have Taken Place in Last Two Months, But Situation in Major Industries Unaffected, Except in Flour and Newsprint



Several minor changes have taken place in manufacturing activity during the last two months causing the index to recede slightly, although compared with the corresponding period last year the general level is much higher. For the month of May the index stood at 163.7; in other words, 63.7 per cent. above the average of the six year period from 1919 to 1924 and corrected where necessary for seasonal changes. In the previous year the May index stood at 149.7, and in 1925 at 124.7. The slight drop in May from the high of March is due more to a seasonal slacking of certain industries, rather than to any radical change in the general situation.

Perhaps one of the most disappointing features of manufacturing in the past two years. has been the failure of the flour milling industry to recover from the slump. which started in the early months of last year. Many reasons have been given for this. There is no doubt that the Canadian millers are producing the finest product on the market. Owing to the enormous capacity of the mills, however, the domestic market is only able to absorb a small percentage of the total output, consequently it is necessary to find foreign outlets for the balance. Thus the prosperity or activity of this industry is almost wholly dependent upon the state of foreign markets. In the past ten months. American competition has been unusually severe. owing to the fact that millers across the line are able to use Canadian hard wheat for grinding purposes without paying the heavy duty imposed on wheat imported for domestic consumption. Some trouble has also been experienced by the practice of the wheat pool in making consignments to foreign millers at less than Winnipeg market prices.

Newsprint Readjustment

Newsprint manufacturing has also been somewhat hesitant in the past few months on account of uncertainty in the American market. Well over eighty per cent. of the total output of Canadian mills is sold in the United States and the state of that market is closely watched by producers in order to avoid any possibility of over production such as occurred in 1921. Such state of affairs was forecast earlier in the year, but prompt action on the part of the larger producers in cutting down production in order to equalize supply and demand forestalled such an event. At present the industry is running along on an even basis and it is believed that the additional production scheduled to come in this year will be absorbed without unduly disturbing the market.

Iron and Steel Output Up

The long expected improvement in the iron and steel industry has apparently got underway, as production since the beginning of the year has been steadily increasing and is much above that recorded during similar periods in the last three or four years. This industry is necessarily dependent upon railway orders, automobile manufacturers and construction. The railways have been placing a number of orders, which, although small individually, have aggregated a respectable total. Automobile production dropped off during May, but the cumulative total since the beginning of the year is the highest in the history of the industry. Construction activity is being well maintained and contemplated work promises well for the balance of the season. Thus the three major users of primary iron and steel products have all been in the market and it is anticipated that this industry will have one of its best years in 1927.

Lumber Exports Greater

Another key industry which has taken on a new lease of life, is the lumber industry. Aside from domestic demands, which have been unusually good in the last three years, export shipments in 1924 and 1925 were not up to the mark. As the industry is affected by foreign demand, activity has been more or less restrained until conditions improve. Since the beginning of the year, exports have increased from month to month and during May were over 41 per cent. greater than the basic average of the six years 1919-1924.

The most pronounced decline in manufacturing activity during May took place in automobile production. This was not unexpected as the industry has been operating on a level far above that of other years. It is possible that the drop in May, may be indicative of a readjustment, but as April production was abnormally high it is considered that the recession does not carry any unusual significance. Some of the producers are bringing out new models in the fall and the change-over has probably affected production to some extent.

The other two major indices of manufacturing activity. sugar manufactured and cotton imports, continue to register improvement. The index of sugar manufactured advanced from 73.8 in April to 114.5 in May, while the cotton imports index in the same period declined from 147.4 to 146.1. Minor factors taken into consideration when compiling the general index of manufacturing, such as rubber imports, butter and cheese storage holdings, wool and petroleum imports, and cattle, sheep and hog slaughterings, did not show any pronounced change.

New Brokerage Firms Start Business in Vancouver

A new insurance, financial and real estate firm has just been started by four young Vancouver business men under the name of Hopper & Babcock, Ltd., and will handle all classes of insurance, investments and real estate.

The directors of the new firm are E. S. Hopper, John N. Babcock and T. Clifford Babcock. Mr. Hopper, who is president of the company, has charge of the investment department. He was for thirteen years manager of various branches of the Bank of Hamilton and the Canadian Bank of Commerce. Previous to this he was engaged in the brokerage business.

T. Clifford Babcock has been engaged in the insurance business for some time. He has charge of the fire and marine insurance department.

Mr. John N. Babcock has been carrying on his own insurance business. He was formerly inspector at Vancouver for the Sovereign Life Assurance Company and latterly held a similar position with the North American Life. He has charge of the life and casualty insurance department.

The Associated Brokerage Company formerly owned by the late Walter Graddon, will in future be operated as a branch office of the new firm under the management of J. A. Thompson.

Canadian Subsidiary Involved in Baker Deal

The Postum Company has offered to purchase Walter Baker & Co., Ltd., for $160 a share in cash or by the exchange of 1½ shares of Postum for each share of Walter Baker stock. The directors of the latter company have approved the sale, and the stockholders have been called for a special meeting on July 19 to consider the plan. There was a capital stock of $8,250,000 outstanding at the close of 1926, of $100 par value, indicating a purchase price value of $13,200,000.

Walter Baker earnings in 1926 were $780,129, equivalent to $9.45 a share earned on the capital stock, against dividends of $6 a share. The company was originally established in 1780 and was incorporated in 1898. The company's mills are located in Dorchester, Mass.

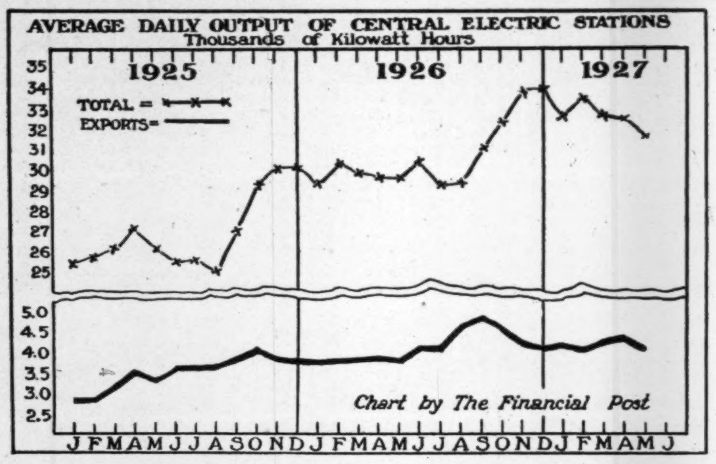
There is a Canadian subsidiary operating a branch in Montreal.

Steel's Pay Bond Interest

Steel's Consolidated has paid its regular July 1 interest payment on its 6% bonds.

Output of Central Electric Stations in May Above Average

Ontario Continues to Lead in Production of Electrical Energy; Quebec Makes Good Progress—Export Demand Shows Little Change



Production of electrical energy in Canada during the month of May last is the highest ever recorded for that particular month and is also indicative of the fact that the additional power being brought into use almost daily, is being absorbed without any apparent difficulty. Altogether 979,456 thousands of kilowatt hours were produced in central electrical stations during May, as compared with 975,649 in the preceding month and 904,392 in May, 1926. Of the May production 965,989 represents electricity generated by water power and the balance by fuel. Practically all of the power derived from the latter source is reported from the prairie provinces, especially Saskatchewan where water power is of a restricted character.

Ontario continues to lead, with an output during May of 450,844 thousands of kilowatt hours, but it is noteworthy that production since the beginning of the year has shown a tendency to decrease. This may be due in part to the smaller domestic lighting load as summer approaches, as industrial production has been on the upgrade. On the other hand, Quebec reports an output of 355,576 thousands, which is the fourth highest ever recorded. The many new projects being brought into use in that province is largely responsible for the increase, but then again there must be a corresponding increase in demand, otherwise the supply would be limited to the demand.

Power Exports Smaller

At the same time exports of power from central electric stations have remained more or less constant in the past seven months. ranging from 121,829 to 133,702 thousands. the May total being reported at 124,750. On an average daily basis, exports of electrical energy in May were just above the 4,000 mark. the lowest point in the past year. Thus, while Quebec undoubtedly exports a larger percentage of its output than the other provinces, the decrease in this respect would indicate that domestic demands are keeping up to the increased installations.

Insofar as output in the other provinces is concerned. May figures show a normal growth. The Maritime Provinces report 11,285 thousands of kilowatt hours generated by water power during May, as compared with 11,816 in the previous month and with 12,956 in the same month a year ago. The lack of more extensive water powers in that area has put a check on production for the time being. The large development at Grand Falls will be ready before very long and when put into operation will have a noticeable effect on production.

Western Output Growing

Output of electrical energy in the Prairies, both water and fuel, dropped during May, although the difference as compared with April was not pronounced. In comparison with the same month of 1926, however, there is a substantial increase. The new paper mills and mining activity in Manitoba, has created a better demand for power in that province. There has also been more interest in hydro power developments in Alberta and it is likely that output will be stepped up.

Production in British Columbia has shown a healthy growth from month to month in the last few years, having totalled 74,305 thousands in May. The greater interest in manufacturing activity on the coast has been instrumental in bringing about development of the province's extensive water power resources and from present indications it is likely that output will continue to increase on a corresponding ratio to that in effect during recent years.

Indicates Industrial Activity

It is noteworthy that the output of energy from central electrical stations corresponds very closely to the Government's index of manufacturing activity. It is generally agreed that the output of electricity gives a better indication of industrial production than any other indice. This is particularly so in the United States and Canada, where electricity is the prime motive power of practically all manufacturing industries. Thus the small increase in output during May as compared with April, agrees with the advance of the Bureau of Statistic's index of manufacturing from 162.9 to 163.7 in May.

Early Purchasers Delighted with

The Financial Post Survey of Corporate Securities

Exact size of book 9 x 12 inches.

Wonderful Value for One Dollar

THOSE who subscribed before publication for this new book, giving full facts on Canadian Corporations whose stock is held by the public, have now received their bills and cheques and commendations are beginning to pour in.

Read the attached letters, typical of a large number:

June 27th, 1927.
Toronto.

Gentlemen:

I acknowledge with thanks receipt of one copy of your "Survey of Corporate Securities" and enclose my cheque for $1.00 in payment. I congratulate you on a very fine piece of work. So much information in readily available form is invaluable.

Yours very truly,
*

June 27, 1927.
Little Current, Ont.

Dear Sirs:

Your well arranged book entitled "Survey of Corporate Securities" has been received and in payment of which I enclose my cheque for $1.00.
I consider this book a very helpful reference to investors and you are to be commended for its publication.

Yours truly,
*

July 1, 1927.
Mahone Bay.

Gentlemen:

Enclosed herewith find one dollar ($1.00) in payment of copy of "Survey of Corporate Securities" which you sent me a few days ago.
The book is very much more comprehensive than I expected to find it and think it indispensable to any one interested in Canadian financial institutions.

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